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RECORDATION NO. 22073-D FILED

MAY 24 '01 3-47 PM

SURFACE TRANSPORTATION BOARD
OF COUNSEL
URBAN A. LESTER

May 24, 2001

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Lease Agreement, dated May 24, 2001, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Master Equipment Lease Agreement - [D] and associated documents previously filed with the Board under Recordation Number 22073.

The names and addresses of the parties to the enclosed document are:

Lessor: Wells Fargo Bank Northwest, N.A.
(f/k/a First Security Bank,
National Association)
79 South Main Street
Salt Lake City, Utah 84111

Lessee: PB Rail Financing
Associates
c/o Pitney Bowes Credit Corporation
27 Waterview Drive
Shelton, CT 06484

A description of the railroad equipment covered by the enclosed document is:

51 railcars within the series MLLX 11204 - MLLX 11261

Mr. Vernon A. Williams
May 24, 2001
Page Two

A short summary of the document to appear in the index follows:

Lease Agreement

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', written in a cursive style.

Robert W. Alvord

RWA/anm
Enclosures

EXECUTION VERSION

RECORDATION NO. 22073-0 FILED

LEASE AGREEMENT

MAY 24 '01 3:47 PM

SURFACE TRANSPORTATION BOARD

Dated as of

May 24, 2001

Between

WELLS FARGO BANK NORTHWEST, N.A.
(formerly known as First Security Bank, National Association),
not in its individual capacity but in its
capacity as Equipment Trustee
Lessor

and

PB RAIL FINANCING ASSOCIATES
Lessee

To the extent, if any, that this Lease constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction) no security interest in this Lease may be created through the transfer or possession of any counterpart other than the original executed counterpart, which shall be identified as the counterpart containing the receipt therefor on the signature page hereof.

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LEASE AGREEMENT

THIS LEASE AGREEMENT is dated as of the 24th day of May, 2001, between WELLS FARGO BANK NORTHWEST, N.A. (formerly known as First Security Bank, National Association), not in its individual capacity but solely as owner trustee under each of the Equipment Trust Agreements described below ("Lessor"), and PB RAIL FINANCING ASSOCIATES, a Connecticut general partnership ("Lessee"). Capitalized terms used, but not otherwise defined, herein shall have the respective meanings ascribed to such terms in Section 1 hereof.

RECITALS

WHEREAS, Lessor is the owner trustee under each of the Trust Agreement - [B], the Trust Agreement - [C] and the Trust Agreement - [D], in the case of each such agreement, by and between Lessor as owner trustee and Pitney Bowes Credit Corporation and dated as of April 27, 1998 (each an "Equipment Trust Agreement" and together the "Equipment Trust Agreements");

WHEREAS, each of the Equipment Trust Agreements created a trust in respect of the Equipment subject thereto (each an "Equipment Trust" and collectively the "Equipment Trusts");

WHEREAS, the entire beneficial interest in each Equipment Trust is owned by the Rutherford Trustee;

WHEREAS, title to, and ownership of, each Item of Equipment is held by Lessor as trustee of the Equipment Trust to which such Item of Equipment is subject;

WHEREAS, each Item of Equipment is leased to the User pursuant to the terms of the Related User Lease;

WHEREAS, simultaneously with the execution and delivery of this Lease Agreement, Lessor is assigning to Lessee, for the duration of the Term, all of Lessor's right, title and interest as lessor in, under and to each of the User Leases;

WHEREAS, in consideration, among other items, for such assignment by Lessor to Lessee, Lessor desires to lease to Lessee and Lessee desires to lease from Lessor, all of the Equipment subject to the terms and conditions of this Lease Agreement;

WHEREAS, the Rutherford Trustee has directed the Lessor to enter into this Lease Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, Lessor and Lessee agree as follows:

SECTION 1. Definitions.

(a) Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Lease Agreement and shall be equally applicable to both the singular and the plural forms of the terms herein defined:

“Acceptable Support Agreement” means a valid and binding agreement in full force and effect between Pitney Bowes Inc. and PBCC: (i) pursuant to which Pitney Bowes Inc. agrees to own and hold, directly or indirectly, the legal title to and beneficial interest in a majority of the outstanding shares of stock of PBCC having the right to vote for the election of members of the Board of Directors of PBCC and not to pledge, directly or indirectly, or in any way encumber or otherwise dispose of any such shares of stock or permit its subsidiaries to do so and (ii) as a result of which at least two nationally recognized statistical rating agencies rate the long-term unsecured debt of PBCC on at least the same level as the long-term unsecured debt of Pitney Bowes Inc.

“Additional Insured” means any or all, as the context may require, of Lessor, Wells Fargo Bank Northwest, N.A., in its individual capacity, the Rutherford Trustee, Rutherford Holding LLC, in its individual capacity, each Purchaser and their respective successors, permitted assigns, transferees, Affiliates, directors, officers, shareholders, servants, attorneys and agents.

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, “control” shall mean (i) in the case of a corporation, ownership of shares having fifty percent (50%) or more of the voting power or value of all the outstanding shares of capital stock of the corporation, (ii) in the case of an unincorporated organization, ownership of fifty percent (50%) or more of the capital interest or profit interest in the organization, (iii) in the case of a general or limited partnership, the general partners thereof and (iv) in the case of a trust, ownership of fifty percent (50%) or more of any class or category of the beneficial interests therein.

“Applicable Law” means all applicable laws, treaties, judgments, decrees, injunctions, writs and orders of any court, governmental body, instrumentality, agency or authority and rules, regulations, orders, directives, licenses and permits of any governmental body, instrumentality, agency or authority.

“Applicable Rate” means the rate of interest established by Fleet National Bank at its principal lending office, from time to time, as its prime rate, whether or not publicly announced, which interest rate may or may not be the lowest rate charged by it for commercial loans or other extensions of credit.

“Appraisal Procedure” has the meaning specified in the second paragraph following subsection (h) of Section 15 hereof.

“Average Daily Rent” means, in respect of any Item of Equipment, the total Basic Rent allocable to such Item of Equipment during the Basic Term divided by the total number of days in the Basic Term.

“Basic Rent” means, with respect to any Item of Equipment, (x) during the Basic Term, the rent payable for such Item of Equipment during such period pursuant to Section 3(c) as such rent may be increased in accordance with the provisions of Section 3(c) and (y) during the Renewal Term, if any, the rent payable for such Item of Equipment during such period pursuant to an agreement of Lessor and Lessee in accordance with Section 18 (a) hereof.

“Basic Term” means, in respect of any Item of Equipment, the term provided in Section 3(b) hereof.

“Business Day” means any day other than a Saturday or Sunday or a day on which commercial banks are required or authorized to close in New York, New York, San Francisco, California, Atlanta, Georgia, Pittsburgh, Pennsylvania, Providence, Rhode Island or Boston, Massachusetts.

“Claims” means any claims, damages, losses, liability, demands, suits, judgments, causes of action or legal proceedings, whether in contract or tort or civil or criminal, penalties, fines or other sanctions, and any costs and expenses incurred in connection therewith, including attorneys' fees.

“Closing Date” means the date on which the lease of the Equipment shall commence which date shall be the date of each Lease Schedule.

“Credit Quality Standard” means, as of any date of determination thereof, both (a) the long-term unsecured and unsubordinated debt of PBCC on such date is rated not less than “BBB” by Standard and Poor’s Corporation, a division of McGraw-Hill Companies, or any successor thereto and (b) no Material Incipient Event of Default or Event of Default has occurred and is then continuing.

“Default Costs” has the meaning specified in the third paragraph following subsection (h) of Section 15 hereof.

“Dollars” and “\$” means the lawful currency of the United States of America.

“Early Termination Fee” means, with respect to the Equipment that is subject to a Lease Schedule, the amount set out in such Lease Schedule as the early termination fee in respect of such Equipment.

“Early Termination Option” has the meaning specified in Section 18(c) hereof.

"Environmental Claim" means any investigation, notice, violation, demand, allegation, action, suit, injunction, judgment, order, consent decree, penalty, fine, lien, proceeding or claim (whether administrative, judicial or private in nature) arising (a) pursuant to, or in connection with an actual or alleged violation of any Environmental Law, (b) in connection with any Hazardous Substances, (c) from any abatement, removal, remedial, corrective or other response action in connection with a Hazardous Substance, Environmental Law or other order of a governmental authority, or (d) from any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment.

"Environmental Laws" means all applicable Federal, state, local or foreign laws, statutes, ordinances or regulations, and all judicial, administrative and regulatory decrees, claims, notices, liens, judgments and orders, pertaining to (a) protection of health, safety and the indoor or outdoor environment, (b) the conservation, management, or use of natural resources and wildlife, (c) the protection or use of surface water or groundwater, (d) the manufacture, management, possession, use, presence, generation, transportation, treatment, storage, disposal, release, threatened release, abatement, removal, remediation or handling of, or exposure to, any Hazardous Substance, or (e) pollution (including as released to air, land, surface water and groundwater) including, but not limited to, the applicable common law of any jurisdiction, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., as amended ("CERCLA"), the Hazardous Material Transportation Act, 49 U.S.C. App. § 1801 et seq., as amended, the Resource Conservation Recovery Act of 1976 and the Hazardous and Solid Waste Amendments, 42 U.S.C. § 6901 et seq., ("RCRA"), the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., as amended, the Clean Air Act, 42 U.S.C. § 7401 et seq., as amended, the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., as amended, the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., as amended, the Safe Drinking Water Act, 42 U.S.C. § 300f et seq., as amended, the Emergency Planning Community Right-To-Know Act, 42 U.S.C. § 11001 et seq., as amended, and any similar implementing or successor law.

"Equipment" means the tangible personal property described in any Lease Schedule and any and all Parts and any equipment substituted for or in replacement thereof.

"Equipment Supplier" means any original supplier of an Item of Equipment.

"Equipment Trust" has the meaning set out in the recitals hereto.

"Equipment Trust Agreement" has the meaning set out in the recitals hereto.

"Equipment Trustee" means Wells Fargo Bank Northwest, N.A. (formerly known as First Security Bank, National Association), not in its individual capacity except

as expressly provided in each Equipment Trust Agreement but in its capacity as owner trustee of each Equipment Trust.

“Event of Default” has the meaning specified in Section 14 hereof.

“Event of Loss” means the occurrence of any of the following events with respect to any Item of Equipment: (i) an insurance settlement shall be paid on account of an actual or constructive total loss of such Item of Equipment; (ii) such Item of Equipment shall suffer an actual or constructive total loss; (iii) such Item of Equipment shall become unfit for commercial use by the Lessee, as determined in good faith by the Lessee and evidenced by a certificate of an officer of the Lessee to such effect; (iv) such Item of Equipment shall be lost or stolen or shall otherwise disappear for a period in excess of thirty (30) days; (v) such Item of Equipment shall become worn out or shall suffer destruction or damage beyond economic repair, as determined in good faith by the Lessee and evidenced by a certificate of an officer of the Lessee to such effect; (vi) such Item of Equipment shall be taken, condemned or requisitioned for title by any governmental authority; (vii) such Item of Equipment shall be taken, condemned or requisitioned for use by (a) the United States government for a period in excess of the lesser of one year or the remaining term of the Lease or (b) any other government or agency, authority or instrumentality thereof for a period in excess of the lesser of one hundred eighty (180) days or the remaining term of the Lease; or (viii) the use of such Item of Equipment in the normal course of interstate rail transportation shall have been prohibited for a continuous period in excess of six months as a result of any rule, regulation, order or other action by the United States government or any agency or instrumentality thereof. The date of such Event of Loss shall be the date of such loss, damage, condemnation, taking, requisition or disappearance.

“FMV” has the meaning specified in Section 18(d) hereof.

“Hazardous Substances” means any substance, chemical compound, product, solid, gas, liquid, waste, byproduct, pollutant, contamination or material which is hazardous or toxic and includes, without limitation, hazardous substances as defined in CERCLA; oil of any kind, petroleum products and their by-products, including sludge or residue; asbestos-containing materials, polychlorinated biphenyls or material or equipment containing such substances; lead or lead containing materials; and all other hazardous or toxic substances; hazardous waste, as defined in RCRA; used tires; those substances listed in the United States Department of Transportation Table (49 C.F.R. 172.101); explosives, radioactive materials; and all other pollutants, contaminants and other substances regulated or controlled by the Environmental Laws and any other substance that requires special handling in its collection, storage, treatment or disposal under the Environmental Laws.

“Incipient Event of Default” means, with respect to any condition or event that would constitute an Event of Default only upon the giving of notice or the lapse of time as provided in Section 14, or both, the occurrence of such condition or event, but

only until the date that Lessee either cures such condition or event, or such condition or event matures into an Event of Default pursuant to Section 14 hereof.

“Initial Term” means, with respect to any User Lease, the term of such User Lease ending on the User Lease Expiration Date for the Equipment that is subject to such User Lease or such earlier date on which such term shall end in accordance with the provisions of such User Lease.

“Item” or “Item of Equipment” means each individual item of Equipment.

“Lease Agreement”, “this Lease Agreement”, “this Lease”, “this Agreement”, “herein”, “hereof”, “hereunder”, “hereby” or other like words mean this Lease Agreement as originally executed or as modified, amended or supplemented pursuant to the applicable provisions hereof.

“Lease Period” means, for each Item of Equipment, (x) during the Basic Term, each successive period commencing on, and including, a Rent Payment Date (or the Closing Date in the case of the first Lease Period) and ending on, but excluding, the next Rent Payment Date (or the last day of the Basic Term, in the case of the last Lease Period), and (y) during any Renewal Term, each successive period commencing on, and including, a Rent Payment Date (or the first day of the Renewal Term in the case of the first such period) and ending on, but excluding, the next Rent Payment Date (or the last day of the Renewal Term in the case of the final such period) or such other periods as may be agreed by Lessor and Lessee in accordance with Section 18(a).

“Lease Schedule” means any or all, as the context may require, of the Lease Schedules between Lessor and Lessee substantially in the form attached hereto as Exhibit A, and in respect of each Item of Equipment or each User Lease the Lease Schedule related to such Item of Equipment or User Lease.

“Lease Term” means with respect to any Item of Equipment, the Basic Term and, if actually entered into pursuant to Section 18(a), any Renewal Term in respect of such Item of Equipment together with any extension thereof.

“Lessee Guaranty” means that certain Guaranty (Purchase and Sale Agreement) dated as of the date of this Lease Agreement made by Lessee in favor of the Rutherford Trustee and each of the Purchasers.

“Lessee Insurance” means insurance required to be provided by Lessee as specified in Section 11 hereof.

“Lessee Related Party” means any or all, as the context may require, of Lessee, PBMF, PBCC and any other Person which is, or hereafter becomes, a general partner of Lessee.

“Lessee Yield Amount” in respect of any Item of Equipment as of the date of the determination thereof (x) at any time on or prior to the User Lease Expiration Date in respect of such Item of Equipment, the amount set out as the Lessee Yield Amount for such determination date in the Lease Schedule (or, if such determination date is not a date listed in the Lease Schedule, the next date so listed) for such Item of Equipment and (y) at any time after the User Lease Expiration Date in respect of such Item of Equipment, the amount, if any, by which (i) the stipulated loss value that Lessee would be entitled to receive in respect of such Item of Equipment pursuant to the terms of the applicable Sublease for such date exceeds (ii) the Stipulated Loss Value in respect of such Item of Equipment for such date.

“Lessor Lien” means any Lien on any Item of Equipment arising as a result of (i) any claim against Lessor not related to the transactions contemplated by the Operative Documents, (ii) any act or omission of Lessor which is not related to the transactions contemplated by the Operative Documents or is in violation of any express agreement of Lessor contained in the Operative Documents, (iii) any claim against Lessor with respect to Taxes, other than Taxes that Lessee is required to indemnify Lessor for or that Lessee or any Sublessee is required to pay pursuant to this Lease Agreement, the other Operative Documents or any Sublease, or (iv) any claim against Lessor arising out of any transfer by Lessor of all or any portion of the interest of Lessor in the Equipment or the Operative Documents other than the transfer by Lessor of all or any portion of its interest in the Equipment pursuant to this Lease Agreement or the other Operative Documents, including without limitation a transfer of an interest in the Equipment pursuant to Section 10 or 18 hereof or pursuant to the exercise of the remedies set forth in Section 15 hereof.

“Lien” means any mortgage, pledge, lien, charge, claim, encumbrance, lease, sublease, sub-sublease or security interest, deed to secure a debt, security title, deed of trust, easement, restriction (whether on voting, sale, transfer, disposition or otherwise), right of first refusal, right of offer or other option or contingent purchase right or any agreement to give any thereof, or right of others of a similar kind.

“Material Incipient Event of Default” means an Incipient Event of Default arising as a result of the occurrence of one or more of the events described in Section 14(a) or 14(b).

“Net Proceeds” has the meaning ascribed to such term in Section 18(b)(v).

“Operative Documents” means this Lease Agreement, each Lease Schedule, the Lessee Guaranty, the Tax Indemnification Agreement, the Contribution Agreement, the Purchase and Sale Agreement, the User Lease Assignment and Assumption Agreement, and the Rutherford Trust Agreement.

“Original Terms” means in respect of any Item of Equipment, the terms and conditions of the Related User Lease as such terms and conditions are in effect on the date of this Lease Agreement.

"Parts" means all appliances, parts, instruments, appurtenances, accessories, furnishings, spare parts constituting part of the Equipment and other equipment or property of whatever nature which may from time to time be incorporated or installed in or attached to any Item of Equipment or any part thereof for so long as title thereto shall remain vested in Lessor in accordance with Section 8 hereof.

"Past Due Rate" means the Applicable Rate plus two percent (2%) per annum.

"PB Support Agreement" means the Amended and Restated Finance Agreement dated as of June 12, 1995 between Pitney Bowes Inc. and PBCC as such agreement may be amended, restated, modified or supplemented from time to time in accordance with its terms.

"PBMF" means PB Municipal Funding, Inc., a Nevada corporation.

"PBCC" means Pitney Bowes Credit Corporation, a Delaware corporation.

"Permitted Contest" means any contest, by appropriate legal or administrative proceedings, including all judicial and administrative appeals, conducted in good faith and with due diligence, provided that (i) in the case of any unpaid Tax or any Lien therefor or any unpaid claim of mechanics, materialmen, suppliers or vendors or any Lien therefor, the collection thereof from, and the enforcement thereof against Lessor and the Equipment shall have been suspended pending such proceedings, (ii) neither the Equipment, title thereto or any interest therein nor any part thereof, nor any interest in the Operative Documents, shall be in any material danger of being sold, forfeited or lost, and no Person who is an Additional Insured shall be in any material danger of any civil liability (unless fully indemnified by Lessee in respect thereof and said indemnitee has determined that both such indemnity and Lessee's ability to perform such indemnity are acceptable in its reasonable discretion) or any criminal liability as a result of such nonperformance or failure to comply therewith or as a result of the pendency of such contest and the enforcement thereof against Lessor and the Equipment shall have been suspended pending such proceedings, (iii) such contest or such other event or matter which is the subject of such contest, shall not interfere with the timely payment of any Rent or the disposition of any of the Equipment and (iv) no Material Incipient Event of Default or Event of Default is continuing. Upon request Lessee shall provide Lessor with an officer's certificate certifying that any relevant contest meets the requirements above.

"Permitted Lien" means any Lien referred to in clauses (i) through (vii) of Section 6 hereof.

"Person" means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, nonincorporated organization or government or any agency or political subdivision thereof or any other entity.

“Purchase and Sale Agreement” means that certain Purchase and Sale Agreement of even date herewith by and among PBMF, Rutherford LLC, Fleet National Bank, and the Rutherford Trustee.

“Purchaser” or “Purchasers” means either or both, as the context may require, of Fleet National Bank, as purchaser of the remainder interest under the Purchase and Sale Agreement, and Rutherford LLC, as purchaser of the term interest under the Purchase and Sale Agreement.

“Related User Lease” means, in respect of any Item of Equipment, the User Lease pursuant to which such Item of Equipment is leased to User which User Lease, for the avoidance of doubt, shall be identified on the Lease Schedule in respect of such Item of Equipment.

“Renewal Term” with respect to each Item of Equipment shall mean any of the successive periods that follow the end of the Basic Term with respect to which this Lease shall have been renewed pursuant to Section 18(a) hereof or such earlier date as this Lease may be terminated or cancelled in accordance with the provisions hereof.

“Rent” means Basic Rent and Supplemental Rent, collectively.

“Rent Payment Date” means, for each Item of Equipment, (x) during the Basic Term, each date shown as a rent payment date on the Lease Schedule with respect to such Item of Equipment, and (y) during any Renewal Term, each date agreed by Lessor and Lessee to be a rent payment date for such Item of Equipment pursuant to the terms of this Lease Agreement.

“Rutherford Trust” means the Rutherford Trust, a trust created under the laws of the State of Idaho.

“Rutherford Trust Agreement” means the Rutherford Trust Agreement of even date herewith between PBMF and the Rutherford Trustee.

“Rutherford Trustee” means Rutherford Holding LLC, an Idaho limited liability company, not in its individual capacity but in its capacity as trustee of the Rutherford Trust and any successor thereto in accordance with the provisions of the Rutherford Trust Agreement.

“Stipulated Loss Reference Date” has the meaning ascribed to such term in Section 10(a).

“Stipulated Loss Value” means, in respect of each Item of Equipment as of any Stipulated Loss Value Date, (x) during the Basic Term, the amount shown as the stipulated loss value on the Lease Schedule with respect to such Item of Equipment for such Stipulated Loss Value Date as such amount may be adjusted in accordance with

Section 3(c) and (y) during the Renewal Term, if any, the stipulated loss value agreed by Lessor and Lessee in accordance with Section 18(a) for such Stipulated Loss Value Date.

“Stipulated Loss Value Date” means, for each Item of Equipment, (x) during the Basic Term, each of the monthly dates shown as a stipulated loss value date on the Lease Schedule with respect to such Item of Equipment and (y) during the Renewal Term, if any, each of the dates agreed by Lessor and Lessee to be a stipulated loss value date in accordance with Section 18(a) hereof.

“Sublease” means any User Lease or Subsequent Sublease as amended in accordance with the provisions of Section 7B(c) hereof.

“Sublessee” means the User, in respect of any User Lease, and any lessee of Items of Equipment under any other Sublease.

“Subsequent Sublease” means any sublease, other than a User Lease, of any Items of Equipment permitted pursuant to Section 7B hereof.

“Supplemental Rent” means any and all amounts, liabilities and obligations (other than Basic Rent) which Lessee assumes or agrees to pay to Lessor or others hereunder or under any of the other Operative Documents, including without limitation Stipulated Loss Value and Termination Value.

“Tax Indemnification Agreement” means the Tax Indemnification Agreement dated as of the date of this Lease Agreement between Lessee and Fleet National Bank.

“Taxes” means all taxes, fees, levies, imposts, duties, charges and withholdings of any nature whatsoever (together with any and all fines, penalties, additions to tax and/or interest thereon or computed by reference thereto) which are imposed by any government, governmental subdivision or other taxing authority of or in any jurisdiction.

“Termination Date” means, in respect of any Item of Equipment, the first Stipulated Loss Value Date to occur after the date on which such Item of Equipment ceases to be subject to the terms hereof.

“Termination Value” means, in respect of each Item of Equipment as of the relevant Termination Date, (x) during the Basic Term, the Stipulated Loss Value with respect to such Item of Equipment for such Termination Date and (y) during the Renewal Term, if any, the termination value agreed by Lessor and Lessee in accordance with Section 18(a) for such Termination Date.

“User” means Basell USA, Inc. (formerly known as Montell USA Inc.), a Delaware corporation.

"User Lease" means any or all, as the context may require, of the Master Equipment Lease Agreement - [B], the Master Equipment Lease Agreement - [C] and the Master Equipment Lease Agreement - [D], in each case, dated April 27, 1998 between Lessor, as lessor, and User, as lessee.

"User Lease Expiration Date" means, with respect to any Item of Equipment, the date set forth as such in the Lease Schedule for such Item of Equipment.

"User Lease Assignment and Assumption Agreement" means the Assignment and Assumption Agreement, dated the date hereof, between Lessor and Lessee in respect of all of the User Leases.

(b) Any reference herein to any Operative Document shall be to such Operative Document as it may be amended, restated, modified or supplemented from time to time, in each case, in accordance with its terms. Any reference herein to any Person shall include any successor to, or permitted assignee, of such Person.

SECTION 2. Delivery and Acceptance of Equipment.

(a) Equipment to be Leased. Simultaneously with the execution and delivery of this Lease Agreement and subject to the terms hereof, Lessor shall assign to Lessee, and Lessee shall assume, all of Lessor's right, title and interest as lessor in, under and to each User Lease pursuant to the User Lease Assignment and Assumption Agreement. Effective upon such assignment and assumption, Lessor shall lease to Lessee, and Lessee shall lease from Lessor, each Item of Equipment on the terms and subject to the conditions described in this Lease Agreement.

(b) Delivery and Acceptance of Equipment. Upon the consummation of the assignment and assumption transactions under the User Lease Assignment and Assumption Agreement, (i) Lessor shall be deemed to have tendered delivery of all of the Equipment to Lessee hereunder and Lessee shall be deemed to have accepted delivery thereof pursuant hereto and (ii) during the term of this Agreement, Lessor shall lease to Lessee, and Lessee shall lease from Lessor, the Equipment on the terms and subject to the conditions described in this Lease Agreement.

SECTION 3. Lease, Lease Term and Rent.

(a) Lease. Lessor hereby leases to Lessee hereunder, and Lessee hereby leases from Lessor hereunder, the Equipment, subject to the terms of this Agreement.

(b) Basic Term. The Basic Term for each Item of Equipment shall commence on the Closing Date and end on the date set forth in the Lease Schedule for such Item of Equipment, or on such earlier date as this Lease may be terminated or cancelled in accordance with the provisions hereof.

(c) Basic Rent. On each Rent Payment Date, the Lessee shall pay rent ("Basic Rent") to the Lessor, in arrears, for each Item of Equipment (x) for any Lease Period during the Basic Term, in the amount set forth opposite such Rent Payment Date on the Lease Schedule in respect of such Item of Equipment under the caption "Basic Rent," as such amount may be increased in accordance with the provisions of this Section 3(c) and (y) for any Lease Period during any Renewal Term, in the amount agreed by Lessor and Lessee in accordance with Section 18(a) hereof. Basic Rent for each Item of Equipment shall be allocated to the Lease Period in respect of which such Basic Rent is payable. Basic Rent allocated to any Lease Period shall be further allocated ratably to each day within such Lease Period. Basic Rent shall accrue for the use of the Equipment pursuant to this Lease in the manner so allocated in the immediately preceding two sentences. It is the intention of the Lessor and the Lessee that the allocation of Basic Rent for each Item of Equipment set forth herein constitutes a specific allocation of fixed rent within the meaning of Treasury Regulation Section 1.467-1(c)(2)(ii) with the effect that the Lessor and the Lessee shall accrue for Federal income tax purposes for each Lease Period the amounts of rental income and rental expense, respectively, set forth as Basic Rent for such Lease Period. Basic Rent shall be allocated and accrued during the Basic Term based on the assumption that each calendar year during the Basic Term is 360 days and twelve 30 day months. On each Rent Payment Date after the User Lease Expiration Date in respect of each Item of Equipment, Lessee shall pay adjusted basic rent to Lessor, in arrears, for such Item of Equipment in an amount equal to the greater of (i) the amount set forth in the Lease Schedule with respect to such Item of Equipment for such period and (ii) eighty percent (80%) of the basic rent payable under the Sublease of such Item of Equipment for such period. Lessee shall notify Lessor, promptly after determining the same, of the basic rent payable under the Sublease for such period and shall provide Lessor with such information as Lessor may reasonably request to verify such basic rent. In the event that the Basic Rent payable in respect of any Item of Equipment for the period after the User Lease Expiration Date in respect of such Item of Equipment is increased to the amount set forth in subsection (ii) above, the Stipulated Loss Value in respect of such Item of Equipment will be adjusted downward to reflect the accelerated liquidation of the Lessor's investment in such Item of Equipment, while maintaining Lessor's original Protected Net Economic Return (as such term is defined in the Tax Indemnification Agreement) as reasonably acceptable to Lessor and Lessee.

(d) Supplemental Rent. Lessee shall pay (or cause to be paid) to Lessor any and all Supplemental Rent on the respective due dates specified herein or in any of the other Operative Documents or, if no such due date is specified herein or in the other Operative Documents, on the fifth (5th) Business Day after demand therefor by Lessor, and in the event of any failure on the part of Lessee to pay any Supplemental Rent when due, Lessor shall have all rights, powers and remedies provided for herein or in any other Operative Document or by law or equity or otherwise in the case of nonpayment of Basic Rent. Lessee also will pay to Lessor on demand, as Supplemental Rent, to the extent permitted by Applicable Law, interest at the Past Due Rate on any part of any installment of Basic Rent not paid when due for each day during any period for which the

same shall be overdue and on any part of any payment of Supplemental Rent not paid when due for each day during any period for which the same shall be overdue.

(e) Certain Rent Adjustments as Supplemental Rent. In the event that rent payments due hereunder are increased pursuant to the Tax Indemnification Agreement or otherwise, then (without duplication of amounts otherwise payable by Lessee under the Tax Indemnification Agreement) Lessee shall pay to Lessor, as Supplemental Rent hereunder, an amount equal to such increase on each date that such increase is due.

(f) Payments in General. All payments of Rent shall be made directly by Lessee in Dollars by wire transfer of immediately available funds prior to 12:00 noon, New York time, on the date of payment to Lessor at its office set forth in Section 16(A) hereof (or such other office of Lessor in the continental United States or such other account, in either case, as Lessor shall direct in a written notice to Lessee at least ten (10) Business Days (or such shorter period as Lessee may agree) prior to the date such payment of Rent is due).

Notwithstanding anything to the contrary contained herein, if any date on which a payment of Rent becomes due and payable is not a Business Day, then such payment shall not be made on such scheduled date but shall be made on the next succeeding Business Day (except if such next succeeding Business Day shall occur in the next calendar month, then on the preceding Business Day) with the same force and effect as if made on such scheduled date.

(g) Allocations of Payments. All payments by the Lessee from time to time hereunder shall be allocated in the following order:

(i) First, on a pro rata basis, in or towards payment of any and all Supplemental Rent which is then due and payable hereunder; and

(ii) Second, in or towards payment of any and all Basic Rent which is then due and payable hereunder in the order in which such Basic Rent became due and payable hereunder.

SECTION 4. Lessor's Representations and Warranties.

(a) EACH ITEM OF EQUIPMENT IS BEING DELIVERED BY LESSOR TO LESSEE "AS IS-WHERE IS"; LESSOR DOES NOT MAKE, HAS NOT MADE, AND SHALL NOT BE DEEMED TO HAVE MADE, AND LESSOR HEREBY EXPRESSLY DISCLAIMS, ANY RESPONSIBILITY FOR, AND ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO, THE TITLE OR ANY INFRINGEMENT THEREOF, COMPLIANCE WITH APPLICABLE LAW, CONDITION, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS FOR USE OR PARTICULAR PURPOSE OF ANY ITEM OF EQUIPMENT OR ANY PART THEREOF, AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER

OR NOT DISCOVERABLE, AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AS TO THE ABSENCE OF OBLIGATIONS BASED ON NEGLIGENCE, STRICT LIABILITY IN TORT, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY ITEM OF EQUIPMENT OR ANY PART THEREOF, it being agreed that all such risks, as between Lessee and Lessor, are to be borne by Lessee. The provisions of this Section 4(a) have been negotiated, and they are intended to be a complete exclusion and negation of any representations or warranties by Lessor express or implied, with respect to the Equipment, or any part thereof, that may arise pursuant to Applicable Law, now or hereafter in effect or otherwise, except that Lessor covenants that it will not, and will not suffer any of its Affiliates to, interfere with Lessee's or any Sublessee's quiet enjoyment of the Equipment during the Lease Term so long as no Event of Default shall have occurred and be continuing, and Lessor (x) represents and warrants that on the date of this Lease Agreement the Equipment shall be free of Lessor Liens, and (y) agrees that it will not directly or indirectly create, incur, assume or suffer to exist any Lessor Lien on or with respect to the Equipment.

(b) Lessor agrees that, as and when any right of action shall arise against any Equipment Supplier of any Item of Equipment in relation to the terms of purchase, value, durability, merchantability, fitness for use, suitability, capacity, age, quality, description, state, condition, design, construction, use, operation or performance of, or any patent infringement or alleged patent infringement in relation to, the Equipment or any Part thereof, Lessee shall be entitled, unless and until a Material Incipient Event of Default or an Event of Default shall have occurred and be continuing, at its own expense to exercise all rights of Lessor against such Equipment Supplier; if as a result of any such action any moneys shall be received from any Equipment Supplier as aforesaid, or shall be received from the manufacturer of such Equipment under a purchase agreement, such moneys shall be promptly paid to Lessee unless a Material Incipient Event of Default or an Event of Default shall have occurred and be continuing, in which case such moneys shall be paid to Lessor as security for and applied to the obligations of Lessee under the Operative Documents and, at such time as no Material Incipient Event of Default and no Event of Default shall be continuing, to the extent not so applied, paid to Lessee.

SECTION 5. Return of the Equipment.

(a) [Intentionally Omitted]

(b) Upon the expiration of the Lease Term with respect to each Item of Equipment, or such earlier date on which Lessee is required to return any Item of Equipment to Lessor as provided herein, Lessee, at its own cost and expense, shall comply with the Equipment return conditions and terms set forth and described in Schedule 5 to this Agreement (including, without limitation, terms regarding delivery, storage and transportation of such Equipment).

(c) All Equipment returned to Lessor under this Lease shall be in the condition in which the Equipment is required to be maintained pursuant to the terms and conditions of this Agreement and shall be free and clear of all Liens other than Lessor Liens and Lessee shall pay for any necessary repairs to place the Equipment in such condition and will pay and discharge all such Liens other than Lessor Liens. Upon application to any court having jurisdiction, Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee hereunder regarding delivery, storage and transportation of the Equipment and otherwise comply with this Section 5. During any storage period required in accordance with this Section 5, Lessee will at its own expense and risk, maintain and keep the Equipment as required in the Original Terms during such period and will permit Lessor or any Person designated by it, including the authorized representative or representatives of any prospective purchaser of any of the Equipment, at their own risk and expense, to inspect the same. All amounts earned in respect of the Equipment after the date of expiration or earlier termination of the Lease Term of this Lease with respect to the Equipment shall belong to Lessor and, if received by Lessee, shall be received by Lessee only in trust for and promptly turned over to Lessor. In the event any Item of Equipment is not delivered and/or stored in accordance with the provisions hereof, this Lease shall not terminate with respect to Lessee's obligations hereunder as to such Item of Equipment and Lessee shall, in addition, upon written demand from Lessor, pay to Lessor for each day an amount equal to the amount, if any, by which the Average Daily Rent for such Item of Equipment for each such day during such period exceeds the amount, if any, received by Lessor in good collected funds for such day for such Item of Equipment pursuant to the immediately preceding sentence; provided, however, that Lessee's obligation for the per diem daily Basic Rent shall not be deemed Lessor's exclusive remedy in connection with any failure to deliver and/or store any Item of Equipment in accordance with this Section 5.

SECTION 6. Liens.

(a) Lessee will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to any Item of Equipment, title thereto or any interest therein or in this Lease, except (i) the respective rights of Lessor and Lessee as herein provided, or any Lien or other rights existing or expressly permitted pursuant to the Operative Documents including, without limitation, the Lien of the Subleases, (ii) Lessor Liens, (iii) Liens for Taxes of Lessee either not yet due or being contested in good faith by a Permitted Contest (and for which adequate reserves have been established and are being maintained in accordance with the usual and ordinary business practices of PBCC), (iv) materialmen's, mechanics', workmen's, repairmen's or other like Liens (including those arising under maintenance agreements) arising in the ordinary course of business which are not yet due or are being contested in good faith by a Permitted Contest (and for which adequate reserves have been established and are being maintained in accordance with the usual and ordinary business practices of PBCC), (v) Liens arising out of any judgment or award against Lessee which, within forty-five (45) days after the entry thereof, have been discharged, vacated, reversed or execution thereof stayed pending appeal pursuant to a Permitted Contest (and for which adequate reserves have been

established and are being maintained in accordance with the usual and ordinary business practices of PBCC), (vi) Liens that are permitted under any Sublease (provided that any Sublease not constituting a User Lease shall permit only such Liens as would have been permitted under the Original Terms), and (vii) any other Lien with respect to which Lessee shall have provided, to the reasonable satisfaction of Lessor, an adequate indemnity bond. Lessee will promptly, at its own expense, take (or cause to be taken) such actions as may be necessary duly to discharge any such Lien not excepted above if the same shall arise at any time.

(b) Lessee will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to its rights to, under or in respect of, any Sublease other than a Lien in favor of Lessor pursuant to Section 7B(d) hereof.

SECTION 7A. Maintenance and Operation.

(a) During any period that an Item of Equipment is subject to a Sublease and the Credit Quality Standard is satisfied, Lessee, at its own cost and expense, shall, at all times, use commercially reasonable efforts to cause the relevant Sublessee to operate, maintain, service and repair such Item of Equipment in the manner and to the extent required by the Original Terms.

(b) During any period that an Item of Equipment is not subject to a Sublease, Lessee, at its own cost and expense, shall at all times operate, maintain, service and repair such Item of Equipment in the manner and to the extent required by the Original Terms.

(c) During any period in which the Credit Quality Standard is not satisfied, Lessee, at its own cost and expense, shall at all times operate, maintain, service and repair all Items of Equipment in the manner and to the extent required by the Original Terms.

SECTION 7B. Subleases.

(a) Generally. Upon the end of the Initial Term of any User Lease or any other termination of any Sublease, Lessee may renew such Sublease or otherwise sublease all, but not less than all, of the Items of Equipment then subject to such Sublease to any Person (in either case, a "Subsequent Sublease"); provided that

(i) Lessee shall not have exercised its Early Termination Option with respect to such Items of Equipment;

(ii) any such Subsequent Sublease that would or may be for a term (including renewal options) that would extend beyond the Basic Term shall have been consented to in writing by Lessor, which consent may be withheld for any reason;

(iii) prior to and after giving effect to such Subsequent Sublease, Lessee shall not be in breach of its obligations under the Tax Indemnification Agreement and no Event of Default or Material Incipient Event of Default shall have occurred and be continuing;

(iv) the rights of Lessor in and to the Equipment shall not be adversely affected;

(v) any such Subsequent Sublease shall (A) permit the assignment of Lessee's rights as lessor thereunder to Lessor upon the failure of Lessee to satisfy the Credit Quality Standard without the consent of the Sublessee under such subsequent Sublease, (B) not permit the Sublessee thereunder to directly or indirectly create, incur, assume or suffer to exist any lien (defined in a manner substantially similar to the definition of Lien hereunder) with respect to any Item of Equipment subject to such Subsequent Sublease, subject to exceptions substantially similar to the Original Terms, (C) contain provisions as to (1) the determination of fair market value, inspection, operation, use, insurance, maintenance, repair, alteration, modification and return of the Equipment, (2) operational and general indemnification obligations and (3) the replacement of parts, in each case, that are substantially the same as the Original Terms and (D) be evidenced by appropriate filings at the appropriate filing offices. Lessee shall notify Lessor of its intention to enter into a Subsequent Sublease within a reasonable time after Lessee commences negotiations with any prospective sublessee. On the date of commencement of any Subsequent Sublease, Lessee shall notify Lessor of the existence of such Subsequent Sublease and, within five (5) Business Days after such commencement, shall deliver to Lessor a true copy of such Subsequent Sublease. Lessor shall have no obligation to any Sublessee under any Subsequent Sublease, and no Subsequent Sublease shall relieve Lessee of any of its obligations under this Lease Agreement. EXCEPT AS EXPRESSLY PROVIDED IN THIS LEASE AGREEMENT, LESSEE SHALL NOT SUBLEASE OR TRANSFER POSSESSION OF THE EQUIPMENT OR ANY PART THEREOF FOR ANY REASON WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR AND ANY SUCH SUBLEASE OR TRANSFER WITHOUT SUCH CONSENT SHALL BE VOID AND OF NO EFFECT.

(b) User Leases are Permitted Subleases. Notwithstanding the foregoing, each User Lease is hereby deemed a permitted sublease of the Items of Equipment covered by each such User Lease, provided that: (i) Lessor shall have no obligation to any User under any User Lease, and (ii) Lessee's obligations to Lessor hereunder shall not be diminished or amended in any way.

(c) Amendment of Subleases. Unless expressly permitted, (without Lessee's consent) or required pursuant to the terms and conditions of the relevant Sublease (in which case the provisions of subparagraph (v) shall remain applicable) no Sublease may be amended, modified or supplemented in any manner and no provision thereof may be waived unless:

(i) such amendment, modification, supplement or waiver is on commercially reasonable terms in accordance with the usual and customary business practices of PBCC;

(ii) such amendment, modification, supplement or waiver does not affect the permissibility of an assignment of Lessee's rights as lessor under the Sublease to Lessor upon the failure of Lessee to satisfy the Credit Quality Standard;

(iii) such amendment, modification, supplement or waiver is evidenced by appropriate filings at the appropriate filing offices;

(iv) the term of such amended, modified or supplemented Sublease (including any renewal options) would not extend beyond the Basic Term with respect to the Items of Equipment covered by such Sublease;

(v) Such amendment, modification, supplement or waiver is in writing and Lessee (A) notifies Lessor of its intention to enter into a Sublease amendment, modification, supplement or waiver within a reasonable time after Lessee commences negotiations with any Sublessee, (B) notifies Lessor on the effective date of any Sublease amendment, modification, supplement or waiver of the existence of such Sublease amendment, and (C) delivers a true copy of such amendment, modification, supplement or waiver to Lessor within five (5) Business Days after the effective date of such amendment, modification, supplement or waiver; and

(vi) such amendment, modification, supplement or waiver would (A) not permit the Sublessee thereunder to directly or indirectly create, incur, assume or suffer to exist any lien (defined in a manner substantially similar to the definition of Lien hereunder) with respect to any Item of Equipment subject to such Sublease, subject to exceptions substantially similar to the exceptions contained in the Original Terms and (B) not amend, modify or remove any provisions of the Sublease relating to (1) the determination of fair market value, inspection, operation, use, insurance, maintenance, repair, alteration, modification or return of the Equipment, (2) the operational and general indemnification obligations or (3) the replacements of Parts; and

(vii) as of the date of execution by Lessee of any such amendment, modification or waiver, Lessee shall not have exercised its Early Termination Option with respect to the Items of Equipment subject to such Sublease and no Material Incipient Event of Default or Event of Default shall be continuing.

Lessor shall have no obligation to any Sublessee under any amended Sublease, and no amended Sublease shall relieve Lessee of any of its obligations under this Lease Agreement.

(d) Sublease Security Interest. At such time as Lessee shall fail to satisfy the Credit Quality Standard, as security for its obligations hereunder and under the

other Operative Documents, Lessee shall, and hereby does, grant to Lessor a valid first priority security interest in all of Lessee's right, title and interest in and to each Sublease. Lessee shall, at its own cost and expense, take such actions and execute such documents as Lessor may reasonably request to perfect or protect its security interest in such right, title and interest.

SECTION 7C. Possession.

(a) Any Sublessee, if permitted under the terms of a Sublease covering an Item of Equipment, and Lessee, so long as no Material Incipient Event of Default or Event of Default shall have occurred and is continuing, may, without the prior written consent of Lessor, deliver possession of any part of the Equipment to the manufacturer thereof or to any Person for testing, service, repair, maintenance or overhaul work on such Equipment or any part thereof or for alterations or modifications in or additions to such Equipment or part thereof to the extent required or permitted by the terms of Section 8(b) hereof.

(b) Lessee shall take, or cause to be taken, all necessary steps to preserve and maintain Lessor's rights, title and interests with respect to the Equipment delivered to the manufacturer thereof or to any Person for such purposes; provided that, at any time that a Sublease with respect to such Equipment is in effect, Lessee shall provide such notices to Lessor as are required to be provided to Lessee by the relevant Sublessee under such Sublease, such notices to be sent by Lessee to Lessor within 5 Business Days after such notices are actually received by Lessee.

SECTION 8. Replacement of Parts, Alterations, Modifications and Additions.

(a) Replacement of Parts.

(i) (A) During any period that an Item of Equipment is subject to a Sublease and the Credit Quality Standard is satisfied, Lessee, at its own cost and expense, shall, at all times, use commercially reasonable efforts in accordance with usual and customary business practices of PBCC in circumstances in which it is a lessor with respect to comparable equipment to cause the relevant Sublessee to promptly replace or cause to be replaced all Parts which may from time to time be incorporated or installed in or attached to such Item of Equipment in the manner and to the extent required by the Original Terms.

(B) During any period that an Item of Equipment is not subject to a Sublease, Lessee, at its own cost and expense, shall at all times promptly replace or cause to be replaced all Parts which may from time to time be incorporated or installed in or attached to such Item of Equipment in the manner and to the extent required by the Original Terms.

(C) During any period in which the Credit Quality Standard is not satisfied, Lessee, at its own cost and expense, shall at all times promptly replace or cause to be replaced all Parts which may from time to time be incorporated or installed in or attached to any Item of Equipment in the manner and to the extent required by the Original Terms.

(ii) All replacement Parts incorporated or installed in or attached to any Item of Equipment shall be free and clear of all Liens (except for Permitted Liens and except in the case of replacement property temporarily installed on an emergency basis). All Parts at any time removed from any Item of Equipment shall remain the property of Lessor, no matter where located, until such time as such Parts shall be replaced by Parts which have been incorporated or installed in or attached to such Item of Equipment and which meet the requirements for permanent replacement Parts specified in this Agreement. Immediately upon any replacement Part becoming incorporated or installed in or attached to any Item of Equipment as above provided, without further act (subject only to Permitted Liens and except in the case of replacement property temporarily installed on an emergency basis), (x) title to such replacement Part shall thereupon vest in Lessor and Lessee shall be deemed to have represented to Lessor that such title has so vested, (y) such replacement Part shall become subject to this Lease and be deemed part of such Item of Equipment for all purposes hereof to the same extent as the Parts originally incorporated or installed in or attached to such Item of Equipment, and (z) title to the removed Part shall thereupon vest in Lessee AS IS-WHERE IS free and clear of all rights of Lessor, and shall no longer be deemed a Part hereunder.

(b) Alterations, Modifications and Additions. Subject to Permitted Contests, which do not extend the ultimate imposition of such requirement beyond the end of the Basic Term or the Renewal Term, as applicable:

(i) (A) During any period that an Item of Equipment is subject to a Sublease and the Credit Quality Standard is satisfied, Lessee, at its own cost and expense, shall, at all times, use commercially reasonable efforts in accordance with usual and customary business practices of PBCC in circumstances in which it is a lessor with respect to comparable equipment to cause the relevant Sublessee to make (or cause to be made) those alterations and modifications in and additions to such Item of Equipment as may be required from time to time to meet the standards of any Applicable Law in the manner and to the extent required by the Original Terms.

(B) During any period that an Item of Equipment is not subject to a Sublease, Lessee, at its own cost and expense, shall at all times make (or cause to be made) those alterations and modifications in and additions to each Item of Equipment as may be required from time to time to meet the standards of any Applicable Law in the manner and to the extent required by the Original Terms.

(C) During any period in which the Credit Quality Standard is not satisfied, Lessee, at its own cost and expense, shall at all times promptly replace or cause to be replaced all parts which may from time to time be incorporated or installed in or attached to any Item of Equipment in the manner and to the extent required by the Original Terms.

(ii) (A) During any period that an Item of Equipment is subject to a Sublease and the Credit Quality Standard is satisfied, Lessee may, in accordance with the usual and customary business practices of PBCC in circumstances in which it is a lessor with respect to comparable equipment, permit the relevant Sublessee to, from time to time, make (or cause to be made) those alterations and modifications in and additions to each Item of Equipment in the manner and to the extent permitted by the terms and conditions of such Sublease, provided, however, that such terms and conditions do not contravene or conflict with the Original Terms.

(B) During any period that an Item of Equipment is not subject to a Sublease, Lessee, at its own cost and expense, may make (or cause to be made) those alterations and modifications in and additions to such Item of Equipment in the manner and to the extent permitted by the Original Terms.

(C) During any period in which the Credit Quality Standard is not satisfied, Lessee, at its own cost and expense, may make (or cause to be made) those alterations and modifications in and additions to any Item of Equipment in the manner and to the extent permitted by the Original Terms.

(iii) Title to all Parts incorporated or installed in or attached or added to any Item of Equipment as the result of such alteration, modification or addition, other than such Parts which can be removed from the Item of Equipment, without diminishing or impairing the value (including, without limitation, the residual value), utility, marketability, remaining useful life or condition of such Item of Equipment shall, without further act, vest in Lessor. Title to all Parts removed from any Item of Equipment in accordance with the provisions of this Section 8 shall, without further act, vest in Lessee AS IS-WHERE IS and such Part shall no longer be deemed part of the Item of Equipment. Any Part not removed in accordance with this Section 8 prior to the return of the Item of Equipment to Lessor hereunder shall become or shall remain, as the case may be, the property of Lessor.

SECTION 9. Equipment to Remain Personal Property; Identification.

(a) Personal Property. The parties intend and agree that the Equipment shall remain personal property, and that Lessor's title thereto is not be impaired, notwithstanding the manner in which any of it may be affixed to any real property. With respect to any Item of Equipment, Lessee shall, to the extent required of the User under the Original Terms, use commercially reasonable efforts to obtain and deliver to Lessor (to be recorded at Lessee's expense), from any Person having an interest

in the property where any Equipment is, or is to be, located, waivers of any Lien which such Person might have or hereafter obtain or claim with respect to the Equipment.

(b) Identification. If the Original Terms require an Item of Equipment to be marked so as to identify that such Item of Equipment is owned by the Lessor, then, in the case of each User Lease, promptly after the date of this Lease Agreement, Lessee shall notify the User in writing (and provide copies of such notices to Lessor) of such obligations and, in the case of any other Sublease, upon execution of such Sublease, Lessee shall notify the relevant Sublessee (and provide copies of such notices to Lessor) of such obligations.

SECTION 10. Loss, Destruction, Requisition, etc.

(a) Event of Loss. Lessee hereby assumes all risk of loss, theft, destruction, damage, seizure, taking or requisition, partial or complete, of or to each Item of Equipment, however caused or occasioned, and such risk shall be borne by Lessee until the earlier of (x) the termination of this Lease with respect to such Item of Equipment and (y) the return of such Item of Equipment to Lessor in accordance with the provisions of Section 5 hereof and the payment of all amounts due to Lessor in respect of such Item of Equipment. Lessee agrees that no occurrence specified in the preceding sentence shall impair, in whole or in part, any obligation of Lessee under this Lease Agreement, including without limitation, the obligation to pay Rent in respect of the relevant Item of Equipment. Upon the occurrence of an Event of Loss in respect of any Item of Equipment, Lessee shall forthwith (and in any event, if such Item of Equipment is then subject to a Sublease, within five (5) Business Days after the earlier of obtaining actual knowledge of such Event of Loss and the date notice is actually received by the Lessee pursuant to the applicable Sublease, and, if such Item of Equipment is not then subject to a Sublease, within sixty (60) days after the occurrence of an Event of Loss) give Lessor written notice of such Event of Loss and, within thirty (30) days after such notice to Lessor, Lessee shall give written notice to Lessor of its election to make payment or substitution as provided in clause (i) or (ii) below (an "election notice"). Not later than, with respect to clause (i) below, the earlier of (x) the Business Day next succeeding the one hundred twentieth (120th) day (or if the Credit Quality Standard is not then satisfied, the sixtieth (60th) day) following the occurrence of such Event of Loss and (y) the third Business Day following the date of receipt of insurance proceeds in respect of such occurrence (such earlier date being the "Stipulated Loss Reference Date") or, with respect to clause (ii) below, one hundred eighty (180) days following the occurrence of such Event of Loss, Lessee shall either:

(i) on the first Stipulated Loss Value Date to occur on or after the Stipulated Loss Reference Date, pay or cause to be paid to Lessor in funds of the type specified in Section 3(f) hereof, an amount equal to the sum of (x) the Stipulated Loss Value of the affected Item of Equipment computed as of the Stipulated Loss Value Date, (y) all Basic Rent in respect of such Item of Equipment due on or prior to such Stipulated

Loss Value Date and (z) all Supplemental Rent due on or prior to such Stipulated Loss Value Date; or

(ii) provided that no Material Incipient Event of Default or Event of Default shall have occurred and then be continuing, substitute for the Item of Equipment which is the subject of an Event of Loss any item of equipment of the same or improved model or series, having a value (including, without limitation, the residual value), utility and remaining useful life at least equal to, and being in as good operating condition as, the Item of Equipment to be replaced assuming such replaced Item of Equipment was of the value and utility and in the condition and repair required by the terms hereof immediately prior to the Event of Loss;

provided, however, that if Lessee shall have failed to provide an election notice within the time specified herein, Lessee shall be deemed to have elected to comply with clause (i); and provided, further, that if Lessee shall have elected to substitute an Item of Equipment pursuant to clause (ii) and either (A) a Material Incipient Event of Default or an Event of Default shall have occurred and be continuing prior to such substitution or (B) such substitution has not occurred within one hundred eighty (180) days after the occurrence of the Event of Loss, Lessee shall not be entitled to make such substitution but promptly shall make the payments required by clause (i) above.

At such time as Lessor shall have received the amount specified in clause (i) above, together with all other amounts that then may be due hereunder (including all Rent due on or before the date of such payment), (1) the obligation of Lessee to pay Basic Rent hereunder with respect to such Item of Equipment for any period commencing after the Stipulated Loss Value Date with reference to which such Stipulated Loss Value for such Item of Equipment is computed shall terminate (but Lessee shall remain liable for all payments of Supplemental Rent due through, including and (with respect to any unsatisfied or surviving obligations) after, the date of such payment of Stipulated Loss Value), (2) this Lease (other than with respect to any unsatisfied or surviving obligations) as regards such Item of Equipment shall terminate, (3) provided that no Material Incipient Event of Default and no Event of Default shall have occurred and be continuing, Lessor will transfer to or at the direction of Lessee, without recourse or warranty (except as to the absence of Lessor Liens), all Lessor's right, title and interest in and to such Item of Equipment, and (4) Lessee will be subrogated to all claims of Lessor, if any, against third parties, for damage to or loss of such Item of Equipment to the extent of the Stipulated Loss Value of such Item of Equipment. If, in respect of an Item of Equipment that has been subject to an Event of Loss and for which Lessee has not elected to substitute an Item of Equipment pursuant to clause (ii), Lessor is entitled to and does receive an amount in excess of the amount specified in clause (i) above (other than as a result of insurance maintained by Lessor in accordance with Section 11(d)) then to the extent of such excess Lessor shall pay to Lessee the Lessee Yield in respect of such Item of Equipment.

In the event Lessee shall elect to substitute one or more Items of Equipment pursuant to clause (ii) above, Lessee shall, on the date of any such substitution (i) convey or cause such substituted Item of Equipment to be conveyed to or at the direction of Lessor, to be leased by Lessee hereunder, free and clear of all Liens (other than Permitted Liens); and (ii) furnish to Lessor, upon the consummation of such substitution, a duly executed bill of sale in a form reasonably acceptable to Lessor. Simultaneously with such actions, Lessee shall (x) duly execute and deliver to Lessor a Lease Schedule with respect to the substituted item of equipment (which Lease Schedule shall have been agreed to by Lessor); (y) furnish to Lessor such evidence of compliance with the insurance provisions of Section 11 with respect to such substituted item of equipment as Lessor may reasonably request; and (z) if requested by Lessor, furnish an opinion of tax counsel selected by Lessee, reasonably acceptable to Lessor, in form and substance reasonably satisfactory to Lessor, as to such matters with respect to the substituted item of equipment as shall have been reasonably requested by Lessor. Lessee shall be liable for all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Lessor as a result of such substitution, whether or not such substitution is consummated. Upon full compliance by Lessee with the terms for substitution under this Section 10, Lessor will duly execute and deliver the Lease Schedule referred to in clause (x) of this Paragraph with respect to the substituted equipment and pay to Lessee any amounts that Lessor has received in respect of the relevant Event of Loss other than as a result of insurance maintained by Lessor in accordance with Section 11(d). For all purposes hereof, the equipment so substituted shall after such transfer be deemed part of the Equipment leased hereunder and shall be deemed an "Item of Equipment" as defined herein. No Event of Loss with respect to the Item of Equipment for which substitution has been elected pursuant to Section 10(a)(ii) hereof shall result in any reduction in Basic Rent.

(b) Application of Payments from Governmental Authorities for Requisition of Title, etc. Any payments (other than insurance proceeds the application of which is provided for in Section 11) received at any time by Lessor or by Lessee from any governmental authority or other Person with respect to an Event of Loss resulting from the condemnation, confiscation or seizure of, or requisition of title to or use of, any Item of Equipment will be applied as follows:

(i) all such payments received at any time by Lessee or any Sublessee shall be paid promptly to Lessor by Lessee for application pursuant to the following provisions of this Section 10(b), except that Lessee may retain any amounts that Lessor would at the time be obligated to reimburse or pay to Lessee under the provisions of paragraphs (ii) or (iii) below;

(ii) after reimbursement of Lessor for reasonable costs and expenses, if Lessee has not elected to substitute for the Item of Equipment which is the subject of the Event of Loss pursuant to Section 10(a)(ii) hereof, so much of such payments remaining as shall not exceed the Stipulated Loss Value and other amounts required to be paid by Lessee pursuant to Section 10(a), shall be applied in reduction of Lessee's obligation to pay such Stipulated Loss Value and other amounts, if not already

paid by Lessee, or, if already paid by Lessee, shall be applied to reimburse Lessee for its payment of such Stipulated Loss Value and such other amounts; and

(iii) after reimbursement of Lessor for reasonable costs and expenses, if Lessee has elected to substitute for the Item of Equipment which is the subject of the Event of Loss pursuant to Section 10(a)(ii) hereof, upon such substitution, Lessor shall pay such amounts to Lessee solely from proceeds actually received by Lessor as described above.

(c) Application of Payments During Existence of Event of Default.

Any amount referred to in this Section 10 which is payable to or retainable by Lessee shall not be paid to or retained by Lessee if at the time of such payment or retention a Material Incipient Event of Default or an Event of Default shall have occurred and be continuing, but shall be held by or paid over to Lessor as security for the obligations of Lessee under this Lease and applied against Lessee's obligations hereunder as and when due. At such time as there shall not be continuing any such Material Incipient Event of Default or Event of Default, such amount shall be paid to Lessee to the extent not previously applied in accordance with the preceding sentence.

SECTION 11. Insurance.

(a) Lessee Insurance Coverage.

(i) Lessee, with respect to each Item of Equipment and at its own cost and expense, shall maintain (or cause the relevant Sublessee to maintain) (A) an umbrella policy of commercial general liability insurance (with coverages, deductibles, terms and conditions that, subject to the succeeding sentence, are no less favorable than those set out in the Original Terms) and (B) casualty insurance covering such Item of Equipment in the amount and subject to such terms and conditions with respect thereto as are required under the Original Terms. The umbrella policy of commercial general liability insurance shall have limits of not less than \$10,000,000 and shall be in a form and with coverage (including terms, deductibles, and requirements) standard to the leasing industry for companies of similar size and similarly situated. The commercial general liability insurance shall be endorsed to name each Additional Insured as additional insured and shall provide that any cancellation or termination of coverage shall not be effective as to such additional insured until after thirty (30) days written notice shall have been provided to Lessor. The casualty insurance shall be endorsed to name Lessor as loss payee and shall provide that any cancellation or termination of coverage shall not be effective as to such loss payee until after thirty (30) days written notice shall have been provided to Lessor. Each policy of commercial general liability insurance and of casualty insurance shall be with commercial insurance companies reasonably acceptable to Lessor (it being understood that each of Zurich American Insurance Company and Zurich International Nederland N.V. is hereby deemed acceptable).

(ii) Notwithstanding the foregoing, any loss of the type customarily covered by the foregoing policies, whether actually covered in whole or in

part by such policies, shall be the responsibility of Lessee and the absence of such coverage shall not relieve Lessee from any of its obligations under any of the Operative Documents.

(b) Policy Provisions. So long as the Credit Quality Standard is satisfied, Lessee shall use commercially reasonable efforts to, and if the Credit Quality Standard is not satisfied, Lessee shall, to the extent required by the Original Terms, obtain evidence of insurance provided by the User under the User Leases, and to assure that the insurance provided by User conforms to all of the required endorsements, modifications and requirements specified by the Original Terms. With respect to all Subsequent Subleases and without limiting Lessor's consent rights under Section 7B(a) hereof, Lessee shall assure that Lessee and Lessor shall be protected by insurance standard to the industry along with enforcing all required policy endorsements as appropriate to the asset being leased, value of the asset and potential exposure to loss.

(c) Evidence of Insurance. Lessee shall deliver to Lessor on or prior to the date that is sixty (60) days after Closing Date, certificates of insurance standard to the industry meeting the requirements of, and evidencing coverage required to be provided in, subsection (a)(i) above. Certificates of insurance of such type also shall be provided evidencing renewal of any expiring coverage not more than ten (10) days following such renewal of coverage.

(d) Additional Insurance by Lessor and Lessee. Lessee may at its own expense carry insurance with respect to its interest in the Equipment in amounts in excess of that required to be maintained by Section 11(a)(i). Lessor may carry for its own account at its sole cost and expense insurance with respect to its interest in the Equipment, provided that such insurance does not prevent Lessee from carrying the insurance required or permitted by Section 11(a)(i) or adversely affect such insurance or the cost thereof.

(e) Application of Payments During Existence of an Event of Default. Any amount referred to in this Section 11, other than any payment made pursuant to Section 11(d), which is payable to or may be retained by Lessee shall not be paid to or retained by Lessee if at the time of such payment or retention an Event of Default or any Material Incipient Event of Default shall have occurred and be continuing, but shall be held by or paid over to Lessor as security for the obligations of Lessee under this Lease and applied against Lessee's obligations hereunder as and when due. At such time as there shall not be continuing any Event of Default or any Material Incipient Event of Default, such amount shall be paid to Lessee to the extent not previously applied in accordance with the preceding sentence.

(f) Self Insurance by Lessee. Notwithstanding anything in this Section 11 to the contrary, Lessee shall not be required to maintain casualty insurance pursuant to subsection (a)(i)(B) hereof or to comply with any other provisions of this

Section 11 relating to such casualty insurance during any period that the Credit Quality Standard is satisfied.

SECTION 12. Inspection.

(a) (i) During any period that an Item of Equipment is subject to a Sublease, Lessee shall at all times permit Lessor and its authorized officers or agents (the "Inspecting Parties"), at the Inspecting Parties' expense and risk (unless a Material Incipient Event of Default or Event of Default then exists, in which event such inspection shall be at Lessee's expense), to enter into and upon Lessee's or Sublessees' premises or other location where such Item of any Equipment may be located for the purpose of inspecting such Item of Equipment in the manner and to the extent permitted by the terms and conditions of the relevant Sublease. During any period that an Item of Equipment is subject to a Sublease, Lessee shall exercise its rights to inspect such Item of Equipment in a commercially reasonable manner in accordance with the usual and customary business practices of PBCC in circumstances in which it is a lessor with respect to comparable equipment.

(ii) During any period that an Item of Equipment is not subject to a Sublease, Lessee shall, at all times, but during normal business hours and upon reasonable notice, permit the Inspecting Parties to enter into and upon Lessee's premises or other location where such Item of Equipment may be located for the purpose of inspecting such Equipment, at the Inspecting Parties' expense and risk (unless a Material Incipient Event of Default or an Event of Default then exists, in which event such inspection shall be at Lessee's expense).

(b) Lessee shall use commercially reasonable efforts, in accordance with the usual and customary business practices of PBCC in circumstances in which it is a lessor with respect to comparable equipment, to cause each Sublessee to comply with its inspection obligations under its relevant Sublease.

SECTION 13. Assignment and Delegation.

Except as otherwise provided herein, neither Lessee nor Lessor will, without the prior written consent of the other, assign any of its rights or delegate any of its duties hereunder and any purported assignment or delegation without such consent shall be void and of no force or effect. Subject to the foregoing, the terms and provisions of this Lease shall be binding upon and inure to the benefit of Lessor and Lessee and their respective successors and permitted assigns.

SECTION 14. Events of Default.

Each of the following events shall constitute an Event of Default (whether any such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) and each such

Event of Default shall continue so long as, but only as long as, it shall not have been remedied:

(a) Lessee shall fail to make a payment of (i) Basic Rent within five (5) Business Days after the receipt by Lessee of written notice from Lessor that the same shall have become due, (ii) Supplemental Rent when the same shall have become due or (iii) any amount under the Lessee Guaranty, the Tax Indemnification Agreement or any other Operative Document when the same shall have become due and payable;

(b) (i) Any Lessee Related Party shall consent to the appointment of or taking possession by a receiver, assignee, custodian, sequestrator, trustee or liquidator (or other similar official) of itself or of a substantial part of its property, or any Lessee Related Party shall admit in writing its inability to pay its debts generally as they become due, or shall make a general assignment for the benefit of its creditors, or any Lessee Related Party shall voluntarily commence any proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law or shall consent to the entry of an order for relief in an involuntary case under any such law or any Lessee Related Party shall file in bankruptcy an answer admitting the material allegations of a petition filed against such Lessee Related Party in any such proceeding, or otherwise seek relief under the provisions of any now existing or future Federal or state bankruptcy, insolvency or other similar law providing for the reorganization or winding-up of corporations, trusts or other legal entities, or providing for an agreement, composition, extension or adjustment with its creditors;

(ii) an order, judgment or decree shall be entered against any Lessee Related Party by any court of competent jurisdiction appointing, without the consent of such Lessee Related Party, a receiver, assignee, custodian, sequestrator, trustee, or liquidator (or other similar official) of any Lessee Related Party or of any substantial part of its property, or granting any other relief in respect of such Lessee Related Party or its debts under the Federal bankruptcy law, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law, as now or hereafter constituted and any such order, judgment or decree shall remain in force undismissed, unstayed or unvacated for a period of sixty (60) days after the date of entry thereof;

(iii) a decree or order for relief in respect of any Lessee Related Party shall be entered by a court of competent jurisdiction in an involuntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law, as now or hereafter constituted, and such decree or order shall remain unstayed in effect for a period of sixty (60) days, or if, under the provisions of any law providing for reorganization or winding-up of corporations, trusts or other legal entities which may apply to any Lessee Related Party, any court of competent jurisdiction shall assume jurisdiction, custody or control of

any Lessee Related Party or of any substantial part of its property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unterminated for a period of sixty (60) days;

(iv) Any Lessee Related Party shall default in the payment or performance of any indebtedness or obligation to Fleet National Bank ("Fleet") or to any Affiliate of Fleet under any loan, note, security agreement, lease, guaranty, title retention or conditional sales agreement or any other instrument or agreement evidencing such indebtedness or obligation and (i) any applicable grace or cure period with respect thereto has expired and (ii) such default shall not have been waived by the holder or holders of such indebtedness or obligation.

(c) Lessee shall fail (i) to carry and maintain on or with respect to the Equipment insurance required to be maintained in accordance with the provisions of Section 11 hereof or (ii) to comply with its obligations under Section 7B;

(d) any representation or warranty made by any Lessee Related Party herein or in any other Operative Document or in any document or certificate furnished by any Lessee Related Party in connection herewith or therewith or pursuant hereto or thereto (i) shall have been incorrect in any material respect at the time made or deemed made and (ii) as a result there is, or can reasonably be expected to be, a material adverse affect on, or a material liability or loss to, any Person who reasonably relied on such representation or warranty provided that an Event of Default shall not be deemed to exist if any such material liability, loss or adverse affect can be remedied by the payment of money and, within thirty (30) days after receipt by Lessee of written notice from Lessor advising Lessee of the representation or warranty at issue, Lessee shall have made payment to Lessor of an amount necessary to remedy the adverse affect thereof;

(e) Final judgment or judgments (after the expiration of all times to appeal therefrom) for the payment of money in excess of \$1,000,000, in the case of Lessee, and \$10,000,000, in the case of any other Lessee Related Party in the aggregate shall be rendered against any Lessee Related Party and the same shall not, within sixty (60) days after the entry thereof, have been discharged, vacated, bonded or execution thereof stayed pending appeal, or shall not have been discharged prior to the expiration of any such stay;

(f) Lessee shall have failed to perform or observe (or cause to be performed or observed) any covenant or agreement to be performed or observed by it under Section 7(A) or Section 8 hereof, and such failure shall continue unremedied for a period of one hundred eighty (180) days after written notice thereof from Lessor in accordance with the terms of this Agreement (except that such cure period shall immediately cease in the event that Lessee is not making reasonably diligent efforts to cure such failure throughout the duration of such one hundred eighty (180) day period);

(g) The PB Support Agreement or, if applicable, any Acceptable Support Agreement (i) shall terminate, expire or otherwise cease to be in full force and

effect unless replaced by an Acceptable Support Agreement or (ii) shall be restated, supplemented, amended or modified in any manner that adversely affects in a material way the financial condition of PBCC or its ability to perform its obligations under the Operative Documents.

(h) Any Lessee Related Party shall have failed to perform or observe (or cause to be performed or observed) any covenant or agreement to be performed or observed by it under any Operative Document not expressly referred to elsewhere in this Section 14, and any such failure shall continue unremedied for a period of thirty (30) days after written notice thereof from Lessor in accordance with the terms of the relevant Operative Document (except that such cure period shall immediately cease in the event that such Lessee Related Party is not making reasonably diligent efforts to cure such failure throughout the duration of such thirty (30) day period);

(i) PBCC shall (A) withdraw from, or otherwise cease to be a general partner of, Lessee, (B) challenge, contest, deny or repudiate any of its obligations as a general partner of Lessee or (C) cease to be jointly and severally liable for the obligations of Lessee;

(j) the Lessee Guaranty ceases to be in full force and effect;

(k) the Lessee dissolves, liquidates or terminates or ceases to be a general partnership under Applicable Law; or

(l) Lessee shall fail to return any Item of Equipment within one hundred twenty (120) days after termination of the relevant Sublease, as provided in Section 5(c) hereof.

provided, however, that if any event specified in subsections (e) or (f) above shall have occurred during any period of time that the Credit Quality Standard is not satisfied, the number of days constituting the applicable grace periods specified in such subsections shall be reduced by fifty percent (50%) in each case.

SECTION 15. Remedies.

Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Lessor may, at its option, declare by written notice to Lessee this Lease Agreement to be in default; provided, however, that upon the occurrence of an Event of Default specified in Section 14(b)(i), (ii) or (iii) hereof, this Lease Agreement shall be in default without the necessity of written notice; and at any time thereafter, so long as any such outstanding Event of Default shall not have been remedied, Lessor may do one or more of the following with respect to all or any Items of Equipment as Lessor in its sole discretion shall elect, to the extent permitted by, and subject to compliance with any mandatory requirements of, Applicable Law then in effect:

(a) upon the written demand of Lessor and at Lessee's expense, cause Lessee or any Sublessee to return promptly, and Lessee shall return promptly, or cause to be returned promptly, the Equipment to Lessor or its order in the manner and condition required by, and otherwise in accordance with all the provisions of, Section 5 as if such Equipment were being returned at the end of the Lease Term, or Lessor, at its option, may take possession of all or any Items of Equipment and remove the same by summary proceedings or otherwise (and/or, at Lessor's option, store the same at Lessee's or the relevant Sublessee's premises until disposal thereof by Lessor), all without liability accruing to Lessor for or by reason of such entry or taking of possession or removing whether for the restoration of damage to property caused by such action or otherwise, except for Lessor's gross negligence or willful misconduct;

(b) sell all or any Items of Equipment, together with all rights of Lessee under the related Subleases, at public or private sale, as Lessor may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle all or any Items of Equipment as Lessor, in its sole discretion, may determine, all free and clear of any rights of Lessee or any Sublessee, except as hereinafter set forth in this Section 15;

(c) whether or not Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under paragraph (a) or paragraph (b) above with respect to any Items of Equipment, Lessor may demand, by written notice to Lessee specifying a payment date which shall be the first Stipulated Loss Value Date after the date of such notice, that the Lessee pay to Lessor, and Lessee shall pay Lessor, on the payment date so specified, any unpaid Basic Rent due for all or any Items of Equipment on Rent Payment Dates on or prior to the payment date so specified plus whichever of the following amounts Lessor, in its sole discretion, shall specify in such notice (together with interest, if any, on such aggregate amount at the Past Due Rate from such specified payment date until the date of actual payment of such amount), as liquidated damages for loss of a bargain and not as a penalty (in lieu of Basic Rent for such Equipment due for Lease Periods commencing on or after the payment date specified in such notice): (i) an amount equal to the excess, if any, of the Stipulated Loss Value for such Items of Equipment determined as of the specified payment date over the aggregate fair market rental value (computed as hereafter in this Section 15 provided) of such Items of Equipment for the remainder of the useful life thereof; after discounting such fair market rental value to present value as of the date Lessor repossesses such Equipment or Lessee makes it available to Lessor in accordance with paragraph (a) of this Section 15, at an annual rate equal to the Applicable Rate; or (ii) an amount equal to the excess, if any, of the Stipulated Loss Value for such Items of Equipment, determined as of the specified payment date over the fair market sales value of such Items of Equipment (computed as hereafter in this Section 15 provided) as of the payment date specified in such notice; or (iii) an amount equal to the excess, if any, of the Stipulated Loss Value for such Items of Equipment determined as of the specified payment date over the sum of (A) the aggregate fair market rental value (computed as hereafter in this Section 15 provided) of such Items of Equipment for the remainder of the Lease Term, after discounting such fair market rental value to present value as of the date Lessor repossesses such Equipment or Lessee

makes it available to Lessor in accordance with paragraph (a) of this Section 15, at an annual rate equal to the Applicable Rate, plus (B) the estimated fair market sales value (computed as hereafter in this Section 15 provided) as of the end of the Lease Term;

(d) in the event Lessor, pursuant to paragraph (b) above, shall have sold any Items of Equipment, Lessor, in lieu of exercising its rights under paragraph (c) above with respect to such Items of Equipment, may, if it shall so elect, demand that Lessee pay Lessor, and Lessee shall pay to Lessor, on the date of such sale any unpaid Basic Rent with respect to such Items of Equipment due on or prior to such date plus, as liquidated damages for loss of a bargain and not as a penalty, in lieu of Basic Rent for such Equipment for the remaining term, the amount of any deficiency between the net proceeds of such sale (after deduction of all reasonable costs of sale) and the Stipulated Loss Value of such Items of Equipment, computed as of the Stipulated Loss Value Date on or immediately preceding the date of such sale together with interest, if any, on the amount of such deficiency, at the Past Due Rate, from the date of such sale to the date of actual payment of such amount;

(e) Lessor may cancel, terminate or rescind this Lease Agreement with respect to all or any Items of Equipment and/or may exercise any other right or remedy which may be available to it under Applicable Law;

(f) Lessor may proceed by appropriate court action to enforce the terms hereof or to recover damages for breach hereof without limiting the generality of the foregoing, to the extent monetary damages are then unavailable or insufficient to address the harm being suffered by Lessor, Lessor shall be entitled to any and all available equitable remedies, including, but not limited to, the remedy of specific performance;

(g) Lessor may demand, by written notice to Lessee, specifying a payment date which shall be the first Stipulated Loss Value Date after the date of such notice, that Lessee pay to Lessor, and Lessee shall pay to Lessor, on the payment date so specified (i) any unpaid Rent due hereunder on or prior to such payment date, plus (ii) as liquidated damages for loss of a bargain and not as a penalty (in lieu of Basic Rent for the balance of the Term) an amount equal to the Stipulated Loss Value of all or any Items of Equipment determined as of the specified payment date; provided that, subject to Lessee having indefeasibly paid the full amount due pursuant to this paragraph, all proceeds realized by Lessor from the sale, releasing or operation of such Items of Equipment subsequent to such payment date, net of all out-of-pocket expenses of any kind whatsoever, shall be paid over by Lessor to Lessee up to an amount which, when aggregated, does not exceed the lesser of all of such net proceeds or an amount equal to Lessee's payment pursuant to clause (ii) above, with interest thereon at the Applicable Rate. Upon the payment by Lessee to Lessor of the amounts set forth in subclauses (i) and (ii) above, Lessor shall appoint Lessee as its non-exclusive agent for the purpose of such sale, re-leasing or operation of such Items of Equipment and (subject to the provisions of the other Operative Documents) Lessor agrees not to appoint any other

agent for such purposes, provided that Lessor may itself attempt to sell, re-lease or operate such Items of Equipment so long as Lessor does not materially interfere with Lessee's efforts and so long as Lessee has not already arranged a prospective sale of such Items of Equipment which would result in net proceeds which would exceed the amounts set forth in subclauses (i) and (ii) above and which would exceed the net proceeds that would result from any proposed sale by Lessor; and/or

(h) with or without notice to Lessee, and without any action on the part of Lessor or Lessee, exercise its rights under the User Lease Assignment and Assumption Agreement, be assigned all of Lessee's right, title and interest in, under and to any Sublease, or exercise such rights as may be available to it under Applicable Law in respect of any security interest it may have in such right, title and interest.

Notwithstanding the foregoing, if the Sublessee under any Sublease is not in default under the terms of its Sublease, Lessor shall not be permitted to take any of the above actions with respect to any Equipment the subject of such Sublease to the extent that such action would interfere with such Sublessee's rights to quiet enjoyment of such Equipment under such Sublease.

For the purposes of paragraph (c) above, the "fair market rental value" or the "fair market sales value" of any Item of Equipment shall be the rental value or sales value, as the case may be, which would be obtained in an arm's-length transaction between an informed and willing lessee or purchaser, as the case may be, under no compulsion to lease or purchase, as the case may be, and an informed and willing lessor or seller, as the case may be, in each case based upon the actual condition and location of such Item of Equipment, which value shall be determined by mutual written agreement or, in the absence of mutual written agreement, pursuant to the following procedure: (i) at the request of Lessee or Lessor, each of Lessee and Lessor shall, within ten (10) Business Days following such request, appoint an appraiser from a nationally recognized firm of independent appraisers; (ii) within ten (10) Business Days following the last such appointment, the two appointed appraisers shall appoint a third appraiser from a nationally recognized firm of independent appraisers; provided that if within such ten (10) Business Days such two appraisers fail to appoint a third appraiser, then either Lessor or Lessee, on behalf of both, may request such appointment by the American Arbitration Association (or any successor organization thereto) in New York, New York, for the appointment of such third appraiser; (iii) each of the three appraisers shall be required to prepare and deliver an appraisal, in writing, within twenty (20) Business Days following the appointment of the third appraiser; (iv) the three appraisals shall be compared, and if the determination of one appraiser is more disparate from the average of all three determinations than each of the other two determinations, then the determination of such appraiser shall be excluded, the remaining two determinations shall be averaged and such average shall be final and binding upon the parties hereto; (v) if no determination is more disparate from the average of all three determinations than each of the other determinations, then such average shall be final and binding upon the parties thereto; (vi) if either party shall have failed to appoint an appraiser under subsection (i)

above then, upon written notice of five (5) Business Days to the failing party, the other party's appointed appraiser shall be the sole appraiser for purposes hereof and its appraisal shall be final and binding upon the parties hereto; and (vii) the cost of such appraisals or appointments shall be borne by Lessee. The foregoing appraisal procedure is hereinafter referred to as the "Appraisal Procedure".

In addition, Lessee shall be liable, except as otherwise provided above without duplication of amounts payable hereunder, for any and all unpaid Rent due hereunder before, after or during the exercise of any of the foregoing remedies. Lessee shall be liable for all reasonable costs and expenses (including reasonable attorneys' fees, court costs and disbursements and the cost of any retaking) incurred by Lessor by reason of the occurrence of any Event of Default or Incipient Event of Default, or the exercise of Lessor's remedies with respect thereto, and including all (i) costs and expenses of enforcing this Agreement, and (ii) all costs and expenses incurred in connection with the return of the Equipment in accordance with the provisions of Section 5 or in placing such Equipment in a condition required by Section 5, as if the Equipment were being surrendered at the end of the Basic Term or any Renewal Term, as the case may be (all such amounts, costs and expenses, collectively, the "Default Costs").

At any sale of all or any Items of Equipment pursuant to this Section 15, Lessor may bid for and purchase such property. Lessor agrees to give Lessee at least fifteen (15) days' written notice of the date fixed for any public sale of any Item of Equipment or of the date on or after which will occur the execution of any contract providing for any private sale. Except as otherwise expressly provided above, no remedy referred to in this Section 15 is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law (including, without limitation, under Article 2A of the Uniform Commercial Code) or in equity; and the exercise or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all of such other remedies. No waiver by Lessor of any Event of Default, or Incipient Event of Default, shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default or Incipient Event of Default.

Notwithstanding any other provision of this Section 15, all amounts received by Lessor in respect of its sale of the Equipment and the related Subleases following an Event of Default in excess of the amounts required to pay to or reimburse Lessor for (i) all Rent due and owing in accordance with the terms hereof, (ii) all Default Costs, (iii) the Stipulated Loss Value relating to such Equipment, and (iv) without duplication, all other damages, liabilities, obligations and losses incurred by Lessor as a result of such Event of Default, shall be paid to Lessee to the extent required to compensate Lessee for its Lessee Yield Amount, and any amounts thereafter remaining shall be retained by Lessor.

SECTION 16. Notices.

All notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto shall be in writing, addressed as provided below and personally delivered or sent by prepaid courier service (in each case with evidence of receipt required) and shall be deemed to be given for purposes of this Agreement and received by the intended recipient thereof on the Business Day on which such writing was delivered to the address specified herein. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section 16, notices, demands, instructions and other communications in writing shall be given to or made upon the respective parties hereto at their respective addresses (or to their respective telecommunications device numbers) as follows:

(A) if to Lessor:

Wells Fargo Bank Northwest, N.A., as trustee
79 South Main Street
Salt Lake City, UT 84111
Attention: Corporate Trust Department
Facsimile: (801) 246-5053

with copies to:

Fleet National Bank
c/o Fleet Capital Corporation
One Financial Plaza
2nd Floor (RI DE 03702c)
Providence, RI 02903
Attention: Senior Credit Officer
Facsimile: (401) 278-8022

and

Rutherford Holding LLC
c/o CMA Capital Management
Suite 310
1440 Chapin Avenue
Burlingame, CA 94010
Attention: President
Facsimile: (650) 696-3929

(B) if to Lessee:

PB Rail Financing Associates
c/o Pitney Bowes Credit Corporation
27 Waterview Drive
Shelton, CT 06484-5151

Attention: Vice President Investments/Sales
Facsimile: (203) 922-4124

with copies to:
Pitney Bowes Credit Corporation
27 Waterview Drive
Shelton, CT 06484-5151
Attention: Director of Operations
Facsimile: (203) 922-4124

and

Faegre & Benson LLP
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402
Attention: Donald C. Shepard
Facsimile: (612) 336-3026

SECTION 17. Net Lease; No Set-Off, Counterclaim, etc.

All Rent shall be paid by Lessee to Lessor in funds of the type specified in Section 3(f). This is an absolute net lease and, notwithstanding any other provision of this Lease, Lessee's obligation to pay all Rent payable hereunder shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (i) any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or anyone else for any reason whatsoever (whether in connection with the transactions contemplated hereby or any other transactions), including, without limitation, any breach by Lessor of any of its warranties, agreements or covenants contained in any of the Operative Documents, (ii) any defect in the title, condition, design, operation, or fitness for use of, or any damage to or loss or destruction of, any Item of Equipment, or any interruption or cessation in or prohibition of the use or possession thereof by Lessee or any Sublessee for any reason whatsoever, including, without limitation, any such interruption, cessation or prohibition resulting from the act of any government authority, (iii) any insolvency, bankruptcy, reorganization or similar case or proceedings by or against Lessee or any Sublessee or any other Person, or (iv) any other circumstance, happening, or event whatsoever, whether or not unforeseen or similar to any of the foregoing. If for any reason whatsoever this Lease shall be terminated in whole or in part by operation of law or otherwise except as specifically provided herein, Lessee nonetheless agrees without limitation of the other rights or remedies of Lessor hereunder to pay to Lessor an amount equal to each Rent payment at the time such payment would have become due and payable in accordance with the terms hereof had this Lease not been terminated in whole or in part. Lessee hereby waives, to the extent permitted by Applicable Law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit

or surrender this Lease except in accordance with the express terms hereof; and, without limiting the generality of the foregoing, Lessee waives all of its rights and remedies under Article 2A of the Uniform Commercial Code. Each Rent payment made pursuant to this Lease by Lessee shall be final and Lessor shall not be required to return or refund, and Lessee will not seek to recover from Lessor, all or any part of such payment for any reason whatsoever, absent manifest error and Lessee will repay to the obligee thereof any amount which such obligee is required to disgorge.

SECTION 18. Renewal Option; Purchase Options; Early Terminations.

(a) Renewal Option. In the event that Lessee wishes to extend the Basic Term with respect to particular Items of Equipment, it may do so only upon receiving the prior written consent of Lessor, which consent may be withheld by Lessor in its sole discretion. If approved by Lessor, the Lease Term with respect to such Items of Equipment shall be deemed extended for such period of time from the date of expiration of the Basic Term with respect to such Items of Equipment to such date as Lessor shall have approved (the "Renewal Term") and the Basic Rent, Termination Values and Stipulated Loss Values with respect to such Items of Equipment shall be as agreed by Lessor and Lessee.

(b) Purchase Options.

(i) Special Termination Right. Each Lease Schedule indicates whether the User has an option to purchase any or all of the Equipment that is subject to such Lease Schedule for the fair market value of such Equipment on the User Lease Expiration Date in respect of such Equipment. In the event that the User exercises such option under the Related User Lease, Lessee shall purchase from Lessor, in accordance with the provisions hereof, all but not less than all of the Equipment subject to the applicable Lease Schedule on the User Lease Expiration Date in respect of such Equipment for a purchase price equal to the sum of (i) the Early Termination Fee and (ii) the fair market value of such Equipment determined, subject to Section 18(d), in accordance with the applicable User Lease. Lessee shall provide Lessor with written notice of any purchase under this Section 18(b)(i) not earlier than the earliest date that the User is required to give notice to Lessee under the applicable User Lease of its election to purchase such Equipment under its option and not later than five (5) Business Days after the latest date that the User is required to give notice to the lessor under the applicable User Lease of its election to purchase such Equipment under its option.

(ii) [RESERVED]

(iii) [RESERVED]

(iv) [RESERVED]

(v) Option to Sell Upon Sublease Default. Upon the occurrence of a default under a Sublease and Lessee's termination of such Sublease and

the return to Lessee of all, but not less than all, of the Equipment subject to such Sublease, Lessee shall have the right to sell all, but not less than all, of such Equipment to a third party identified by Lessee. Upon such sale, Lessee shall agree with Lessor to terminate this Lease Agreement with respect to such Equipment, effective as of the date of the sale to the third party, and Lessee shall sell the Equipment on behalf of Lessor for a purchase price equal to its Fair Market Value determined in accordance with Section 18(d). If the Net Proceeds of such sale are less than the Termination Value for such Equipment, Lessee shall pay the Lessor the deficiency. Lessor shall be entitled to receive all proceeds of such sale and, if the Net Proceeds received are in excess of the Termination Value for such Equipment, then to the extent of such excess, Lessor shall pay Lessee an amount equal to the Lessee Yield Amount, if any, in respect of such Equipment unless a Material Incipient Event of Default or Event of Default has occurred and is then continuing, in which case such amount shall be retained by Lessor as security for and to be applied to the obligations of Lessee under the Operative Documents. At such time as there shall not be continuing any Event of Default or Material Incipient Event of Default, such amount shall be paid to Lessee to the extent not previously applied in accordance with the preceding sentence. As used in this Section 18(b)(v) "Net Proceeds" shall be deemed to be the gross purchase price received from the purchaser by Lessor, less (a) all Rent due and owing in accordance with the terms of the Lease up until and through the date of sale of the Equipment, and (b) the costs and expenses incurred by Lessor in connection with such sale. Lessee shall give Lessor notice of its intent to exercise such option not later than ten (10) Business Days after the date that Lessee has terminated the Sublease.

(vi) Payment; Transfer of Title. If any Equipment is to be sold pursuant to subparagraph (i) or (v) of this Section 18(b), Lessee shall pay (or cause to be paid) for (in cash in immediately available funds) and purchase (or cause to be purchased) such Equipment on the date specified, and if Lessee shall fail to pay for such Equipment on such date, Lessee (i) shall no longer have any right to purchase such Equipment pursuant to such subparagraph, and (ii) shall pay to Lessor all costs and expense incurred by Lessor in connection with such failed purchase. Upon payment to Lessor of the purchase price for such Equipment, any unpaid Basic Rent due or accrued to and including the date of purchase and all Supplemental Rent owing by Lessee to and including the date of purchase, Lessor shall transfer to Lessee such title to such Equipment as it acquired on the commencement of the Related User Lease free of any Lessor Liens, but without further recourse or warranty. Thereupon the obligations of Lessee hereunder with respect to such Equipment (other than any such obligations expressed herein as surviving termination of this Lease) shall terminate. Until such time as payment is made by Lessee in the amount required hereunder, the obligations of Lessee under this Lease (including the obligation to pay Basic Rent) in respect of each Item of Equipment shall continue.

(c) Early Termination. Provided that (i) no Material Incipient Event of Default or Event of Default (at each of the notice date and the termination date) has occurred and is continuing and (ii) no "Event of Default" or "Default" which, with the

passage of time or the giving of notice, or both, would constitute such an "Event of Default", in each case, under the Related User Lease (at each of the notice date and the termination date) shall have occurred and be continuing, Lessee shall have the option (herein, the "Early Termination Option"), by written notice not earlier than one hundred eighty (180) days and not later than one hundred fifty (150) days prior to the User Lease Expiration Date with respect to Equipment subject to a Lease Schedule, exercisable in Lessee's sole discretion, to terminate this Lease Agreement with respect to all, but not less than all, the Equipment subject to such Lease Schedule, upon (x) payment to Lessor of the applicable Early Termination Fee, all Basic Rent then due and payable with respect to such Equipment and all Supplemental Rent then due and payable and (y) the return of the Equipment subject thereto in accordance with the provisions of Section 5 hereof; provided, however, that in the event Lessee gives notice of its exercise of an Early Termination Option and thereafter learns that a "Default" or "Event of Default" as described above has occurred and is continuing with respect to the Related User Lease, the period for election of such Early Termination Option shall be extended for such additional period of time as may be reasonably necessary for Lessee to effect compliance by the User with such Related User Lease, thereby remedying any such "Default" or "Event of Default" thereunder and reinstating as of such date Lessee's right to terminate pursuant to the Early Termination Option; provided further, however, that in no event shall such period for election be extended beyond the expiration date of the Basic Term of this Lease. From and after the effective date of any such termination, which shall be the date on which all payments are made and the Equipment is returned in accordance with the provisions above, Lessee shall be relieved of all obligations to Lessor arising after such date with respect to the Equipment subject to such User Lease except such obligations that expressly survive termination of this Lease Agreement.

(d) Establishing Fair Market Values. With respect to the purchase option under Section 18(b)(i), (A) to the extent permitted by the applicable User Lease, Lessor shall negotiate the fair market value of the relevant Equipment ("FMV") with the User and (B) to the extent direct negotiations by Lessor with User are not so permitted, Lessee shall exercise any discretion over, or grant any approval of, the FMV or the manner in which such FMV is determined, only at the direction and with the consent of Lessor. Lessee shall take, at its own expense to the extent recoverable from the User under the Original Terms and otherwise at the expense of Lessor, such actions as Lessor may reasonably request to effectuate the intentions of Section 18(b)(i). With respect to the purchase option under Section 18(b)(v), Lessee will not exercise any such discretion or grant any such approval without first obtaining Lessor's prior written approval of the relevant FMV or such exercise or grant, if an Event of Default or a Material Incipient Event of Default has occurred and is then continuing or if otherwise required under the following circumstances:

(i) If the proposed FMV is sufficient to cover the Termination Value payable to Lessor with respect to the relevant Equipment and the Lessee Yield Amount in respect of such Equipment, then Lessor's consent shall be required. If, in such case, Lessee is not able to negotiate an FMV acceptable to Lessor on or prior to the date

scheduled for the purchase of the Equipment, Lessee shall be entitled to accept any FMV which is sufficient in amount to cover the applicable Termination Value and the Lessee Yield Amount, without further notice to or consent of Lessor.

(ii) If the proposed FMV is sufficient to cover the applicable Termination Value, but not the applicable Lessee Yield Amount, or is not sufficient to cover either the Termination Value or the Lessee Yield Amount, then Lessor's consent shall not be required. If, in such case, Lessee is not able to negotiate FMV acceptable to Lessee on or prior to the date scheduled for termination of such User Lease, Lessee shall terminate such negotiations and accept such FMV and pay the amount of the applicable Termination Value to Lessor and continue such negotiations exclusively for the account of Lessee; provided however that in event the final FMV amount is sufficient to satisfy and pay in full the entire Lessee Yield Amount, the excess, if any, shall be paid to Lessor.

(iii) Notwithstanding any provision to the contrary, if Lessor shall elect to pay the Lessee Yield Amount in respect of any Equipment to Lessee, Lessor shall control the negotiations of the FMV of such Equipment and, if so requested by Lessor, Lessee shall act at the direction, and for the exclusive account, of Lessor.

(e) Certain Notices. Notices to be given by Lessee to Lessor in respect of the exercise of the options in paragraphs (b)(i), (b)(v) and (c) shall be irrevocable, provided, however, that such a notice may be revoked if (i) the notice for the exercise of the related option under the relevant User Leases (the "related option notices") is, at such time, revoked in accordance with the terms of the relevant User Lease and (ii) Lessee reimburses Lessor for any and all costs and expenses incurred by Lessor as a result of such revocation. Any notice from Lessee to Lessor under paragraph (b)(i) shall include a copy of the related option notice given to it by the relevant User.

SECTION 19. Reports.

Within five (5) Business Days after its receipt of any financial or other reports required under any Sublease, Lessee shall deliver copies of such reports to Lessor.

SECTION 20. Lessor's Right to Perform for Lessee.

If Lessee fails to make any payment of Rent required to be made by it hereunder or fails to perform or comply with any of its agreements contained herein, then Lessor may itself, after five (5) days' prior notice to Lessee (provided that no such notice shall be necessary if the delay which results therefrom is likely to cause, or aggravate, as the case may be, any adverse consequence to the Lessor) make such payment or perform or comply with such agreement but shall not be obligated hereunder to do so, and the amount of such payment and the amount of the reasonable expenses of Lessor incurred in connection with such payment or the performance of or compliance with such agreement, as the case may be, together with interest thereon at the Past Due Rate, shall be deemed Supplemental Rent, payable by Lessee upon demand.

SECTION 21. Choice of Law; Jurisdiction; Service of Process; Waiver of Jury Trial.

(a) Choice of Law. THIS LEASE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

(b) Jurisdiction; Service of Process. Lessor and Lessee each (A) hereby irrevocably submits itself to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York and to the non-exclusive jurisdiction of the Supreme Court of the State of New York, New York County, for the purposes of any suit, action or other proceeding arising out of this Lease, the subject matter hereof or any of the transactions contemplated hereby brought by Lessor, Lessee or their respective successors or assigns, (B) irrevocably agrees that lawful service of process in the State of New York for any action or proceeding (whether in Federal or state court in and for the State of New York) arising out of or in connection with this Lease Agreement or any of the other Operative Documents may be made by mailing by certified mail, return receipt requested, such papers as may be necessary for such service of process to such party at its notice address designated in or pursuant to Section 16 hereof, and (C) to the extent permitted by Applicable Law, hereby waives, and agrees not to assert, by way of motion, as a defense or otherwise, in any such suit, action or proceeding, to the extent permitted by Applicable Law, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper, or that this Lease or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts.

(c) Waiver of Jury Trial. LESSOR AND LESSEE HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH LESSEE AND/OR LESSOR MAY BE PARTIES ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS LEASE. LESSEE AUTHORIZES LESSOR TO FILE THIS PROVISION WITH THE CLERK OR JUDGE OF ANY COURT HEARING ANY SUCH CLAIM. IT IS HEREBY AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS LEASE. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY THE PARTIES AND THE PARTIES HEREBY ACKNOWLEDGE THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. LESSOR AND LESSEE FURTHER ACKNOWLEDGE THAT THEY HAVE BEEN REPRESENTED IN THE SIGNING OF THIS LEASE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF THEIR OWN FREE WILL, AND THAT THEY HAVE HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

SECTION 22. Miscellaneous.

(a) Severability. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof; and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(b) No Amendment. No term or provision of this Lease may be changed or waived orally, but only by an instrument in writing signed by Lessor, Lessee and any assignee of Lessor's rights hereunder.

(c) Intent. This Lease shall constitute an agreement of lease, and nothing contained herein shall be construed as conveying to Lessee any right, title or interest in any Item of Equipment except as a lessee only.

(d) Headings. The Section and paragraph headings in this Lease and the table of contents are for convenience of reference only and shall not modify, define, expand or limit any of the terms or provisions hereof and all references herein to numbered sections, unless otherwise indicated, are to sections of this Lease.

(e) Counterparts. This Lease may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

(f) Further Assurances. Lessee will, at its own cost and expense, cause to be done, executed, acknowledged and delivered all and every such further acts, conveyances and assurances as the Lessor shall reasonably require for accomplishing the purposes of this Lease and the other Operative Documents.

(g) Survival. The representations, warranties, indemnities and agreements of Lessee provided for in this Lease, including, without limitation, Lessee's obligations under Section 5 hereof, shall survive the expiration, cancellation or other termination of this Lease and the other Operative Documents.

(h) Successors and Assigns. The terms and provisions of this Lease, and the respective rights and obligations hereunder of the Lessor and the Lessee, shall be binding upon their respective successors and assigns, and inure to the benefit of their respective permitted successors and assigns.

(i) Entire Agreement. This Lease, including all schedules attached hereto, and the other Operative Documents constitute the entire understanding of the parties hereto with respect to the subject matter hereof; and supersede any prior agreements, written or oral, with respect thereto. In the event of any conflict between the terms and provisions contained in any Lease Schedule and the terms and provisions contained herein, the terms and provisions contained herein shall control.

SECTION 23. Indemnification.

The indemnification provisions contained in Schedule 23(a) attached hereto are incorporated herein by reference.

SECTION 24. Precautionary Grant of Security Interest.

Lessor and Lessee intend that this Lease shall be a "true lease" and not a "financing lease" or "lease intended as a security agreement". Notwithstanding the foregoing, if this Lease should be construed as a "financing lease" or a "lease intended as a security agreement", Lessee hereby grants to Lessor a security interest in the Equipment and all of the proceeds thereof.

SECTION 25. Limited Liability.

It is expressly understood and agreed by the parties hereto that (a) this Lease Agreement has been executed and delivered, by Wells Fargo Bank Northwest, N.A. (formerly known as First Security Bank, National Association), not individually or personally but solely as Equipment Trustee in the exercise of the powers and authority conferred and vested in it as trustee under each Equipment Trust Agreement, (b) each of the representations, undertakings and agreements made on the part of Lessor herein is made and intended not as a personal representation, undertaking or agreement by Wells Fargo Bank Northwest, N.A., (formerly known as First Security Bank, National Association) but is made and intended for the purpose of binding only the assets subject to the Trust Agreement and (c) under no circumstances shall Wells Fargo Bank Northwest, N.A., (formerly known as First Security Bank, National Association) be personally liable for the payment of any indebtedness or expenses of such trusts or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the trusts under this Lease Agreement.

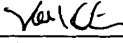
SECTION 26. Original Terms. Any reference in this Lease Agreement to Original Terms shall be deemed to incorporate the relevant Original Terms herein as if such Original Terms constituted direct obligations of Lessee to Lessor.

[Signature page follows]

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease Agreement to be duly executed on the day and year first above written.

Lessor:


WELLS FARGO BANK NORTHWEST, N.A.,
formerly known as First Security Bank, National
Association, not in its individual capacity, but
solely as Equipment Trustee

By: 
Val T. Orton
Its Vice President


Lessee:


PB RAIL FINANCING ASSOCIATES

By: PB Municipal Funding Inc.,
a General Partner

By: 
Michael J. Leyh
Its Vice President

By: Pitney Bowes Credit Corporation,
a General Partner

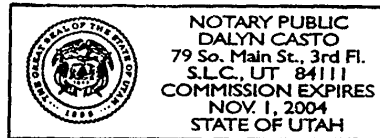
By: 
Michael J. Leyh
Its Vice President,
New Business Development

~~*Receipt of this original counterpart of the foregoing Lease Agreement is hereby
acknowledged on this ___th day of May, 2001.~~ 

~~* This language contained in the original counterpart only.~~

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

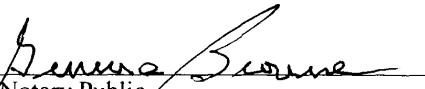
This instrument was acknowledged before me on the 22nd day of May, 2001, by Val T. Orton who is the Vice President of Wells Fargo Bank Northwest, N.A. (the "Bank") on behalf of the Bank, not in its individual capacity, but solely as Owner Trustee.



Dalyn Casto
Notary Public

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

The foregoing instrument was acknowledged before me this 23 day of May, 2001 by Michael J. Leyh, the Vice President of PB Municipal Funding Inc., a Nevada corporation, as general partner of PB Rail Financing Associates, a Connecticut general partnership, on behalf of said general partnership.

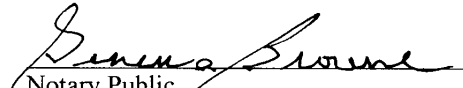

Notary Public

GENEVA BROWNE
Notary Public, State of New York
No. 24-4892369
Qualified in Kings County
Certificate Filed in New York County
Commission Expires Nov. 30, 2001

M1:754470.02

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

The foregoing instrument was acknowledged before me this 23 day of May, 2001 by Michael J. Leyh, the Vice President, New Business Development of Pitney Bowes Credit Corporation, a Delaware corporation, as general partner of PB Rail Financing Associates, a Connecticut general partnership, on behalf of said general partnership.


Notary Public

GENEVA BROWNE
Notary Public, State of New York
No. 24-4692369
Qualified in Kings County
Certificate Filed in New York County
Commission Expires Nov. 30, 2004

EXHIBIT A

Form of Lease Schedule

THIS LEASE SCHEDULE IS BEING EXECUTED IN ____ NUMBERED COUNTERPARTS OF WHICH THIS IS COUNTERPART NO. ____ ONLY COUNTERPART NO. 1 SHALL BE DEEMED TO BE THE ORIGINAL FOR CHATTEL PAPER AND SECURITY PURPOSES. NO SECURITY INTEREST MAY BE CREATED IN THIS LEASE SCHEDULE THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

LEASE SCHEDULE NO. ____

Lease Schedule No. ____ dated May ____, 2001 to Lease Agreement dated as of May ____, 2001 between Wells Fargo Bank Northwest, N.A., (formerly known as First Security Bank, National Association), in its capacity as Equipment Trustee, as Lessor, and PB Rail Financing Associates, as Lessee (the "Lease").

1. Equipment: See Schedule A attached hereto and made a part hereof.
2. Equipment Cost: As set out in Schedule A in respect of the aggregate of the Equipment and in respect of each Item of Equipment.
3. Lease Term: ____ mos.
4. Closing Date: : May ____, 2001.
5. Lease Scheduled Termination Date (Section 3(b)): _____.
6. Rent Payment Dates and Basic Rent with respect thereto: See Schedule B attached hereto and made a part hereof.
7. Early Termination Fee: See Schedule C attached hereto.
8. Related User Lease: Master Equipment Lease - [] dated April 27, 1998 between Lessor and User.
9. User Lease Expiration Date: _____.
10. User Purchase Option (Section 18(b)(i)): Yes.
11. Stipulated Loss Value Dates and Stipulated Loss Value with respect thereto: See Schedule D attached hereto and made a part hereof.
12. Lessee Yield Amount: See Schedule E attached hereto and made a part hereof.

13. Riders Attached Hereto and Incorporated Herein:
None.

14. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY
INCORPORATED BY REFERENCE INTO THE LEASE.

Accepted by:

WELLS FARGO BANK NORTHWEST, N.A.,
not in its individual capacity,
but solely as Equipment Trustee

By: _____

Its: _____

By: Pitney Bowes Credit
Corporation, a General Partner

By: _____

Its: _____

By: PB Municipal Funding Inc., a
General Partner

By: _____

Its: _____

838390.5

838390.7

SCHEDULE A TO LEASE SCHEDULE NO. ____
EQUIPMENT
AND
EQUIPMENT COST

Equipment Description

Equipment Cost

SCHEDULE B TO LEASE SCHEDULE NO. ____
RENT PAYMENT SCHEDULE

<u>Lease Period</u>	<u>Rent Payment Date</u>	<u>Basic Rent Amount</u>
<u>From</u>	<u>To</u>	

SCHEDULE C
EARLY TERMINATION FEE

[\$ _____]

SCHEDULE D TO LEASE SCHEDULE NO. ____
STIPULATED LOSS VALUE TABLE

Stipulated Loss Value for each Item of Equipment shall be determined by multiplying the Stipulated Loss Value set forth below for the relevant Stipulated Loss Value Date by a fraction, the numerator of which is the Equipment Cost set forth on Schedule A for such Item of Equipment and the denominator of which is the aggregate Equipment Cost set forth on Schedule A.

Stipulated Loss
Value Date

Stipulated Loss Value

SCHEDULE E TO LEASE SCHEDULE NO. ____
LESSEE YIELD AMOUNT

<u>Date</u>	<u>Lessee Yield Amount</u>
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SCHEDULE 5
RETURN CONDITIONS

Upon return to Lessor, each Item of Equipment shall:

- (i) comply with the applicable interchange standards set forth for such Equipment by the Association of American Railroads or any successor thereto ("AAR");
- (ii) be in good operating order by industry standards and fit for the purposes for which it was designed; and
- (iii) satisfy the tests described below:
 - a. All damaged or broken parts will be repaired according to AAR specifications;
 - b. Exterior and interior surfaces will be clean, free of rust and corrosion except for minor surface rust, and will be painted to a standard paint scheme, free of any and all advertising and notices other than receiving numbers and User's corporate identification and Lessee's identification as provided in the Related User Lease;
 - c. Equipment will conform to United States Department of Transportation regulations or those of any other government agency having jurisdiction over the use and operation of the Equipment;
 - d. Equipment shall have been maintained in compliance with the original manufacturer's recommended maintenance procedures and policies.
 - e. Liners must be in good condition with no holes or bare spots.
 - f. All wheels shall have a minimum thickness and diameter equal to at least 50% of the original manufacturer's specifications, as when first accepted by Lessee.
 - g. Equipment will be returned with undercarriage systems, including any related tracks and rollers of a type, size, and quality standard according to original manufacturing specifications, and will be in good repair and operating condition.

At Lessee's expense, Lessee shall provide written evidence from a mutually acceptable independent party that the Equipment returned meets the specifications above. Lessor or its representative will inspect the Equipment to verify that the units have been proffered for return in compliance with the terms and conditions of this Section. Additional wear and tear beyond the extent permitted herein shall be deemed excessive wear and tear and Lessee, at its option, shall be responsible to either promptly make such repairs as are required to correct excessive wear and tear and to otherwise bring the Equipment into the condition required under this Section, or to forward the affected items of Equipment to a repair facility, which facility shall have been previously approved in writing by Lessor,

for such repairs and pay the costs of such repairs. Such repairs shall be performed prior to return of the Equipment hereunder.

Lessee will, at its expense, insure and deliver such items of Equipment to Lessor at any place or places in the continental United States designated by Lessor in writing, for such disposition. If the Equipment is returned to the Lessor pursuant to Section 15 following an Event of Default, Lessee will return all Equipment to Lessor in the same manner. All Equipment so delivered by Lessee to Lessor shall be returned to the designated location in the same condition as when first delivered to User, reasonable wear and tear resulting from authorized use thereof alone excepted.

Upon any return of the Equipment, Lessee shall deliver possession of such Equipment to Lessor and shall give prompt telegraphic and written notice to the Association of American Railroads and all railroads having possession of any Equipment so to return such Equipment. For the purpose of delivering possession of any Equipment to Lessor as required above, Lessee will, at its own expense and risk: (i) forthwith and in the usual manner cause such Equipment to be transported to such storage tracks as Lessee may select, and there assembled; (ii) furnish or arrange for Lessor to store such Equipment on such storage tracks until such Equipment has been sold, leased or otherwise disposed of by Lessor, such period not to exceed forty-five (45) days; and (iii) cause such Equipment to be transported to such interchange point or points as shall be designated by Lessor upon any sale, lease or other disposition of all or any such Equipment. All movement to and storage of each piece of Equipment at such storage tracks as Lessee may select is to be at the risk and expense of Lessee. All movement from such storage tracks is to be at the risk and expense of Lessor. Following such storage period, at the request of Lessor, Lessee will provide reasonable assistance for Lessor to make arrangements for the storage of the Equipment at Lessor's risk and expense for an additional 120 days or such shorter period as Lessor may request.

Schedule 23(a)
To
Lease Agreement dated as of May 24, 2001
Between
Wells Fargo Bank Northwest, N.A., as Equipment Trustee,
and PB Rail Financing Associates
(the "Lease Agreement")

Capitalized terms herein are as defined in the Lease Agreement.

For the purposes of this Schedule 23(a), (i) the term "Operative Documents" shall mean the Lease Agreement, each Lease Schedule and all amendments, modifications and supplements thereto, and (ii) the term "After-Tax Basis" shall mean, with respect to any amount payable to any Person under the Operative Documents (a "pre-tax payment"), an amount which, after taking into account all Taxes required to be paid by the Person entitled to such pre-tax payment as the result of the receipt or accrual of that payment (computed on the basis of the highest statutory rates of tax applicable to such Person at the relevant time) shall be equal to the full amount of the pre-tax payment.

(a) In General. Lessee represents, warrants and covenants to Lessor that as of the date of the Lease:

(i) Lessee is a Connecticut general partnership, duly organized, validly existing and in good standing pursuant to the laws of the State of Connecticut, and has the power and authority to own or hold under lease its properties wherever located or used and to enter into and perform its obligations under each of the Operative Documents to which it is or will be a party;

(ii) the execution, delivery and performance by Lessee of each of the Operative Documents to which it is or will be a party have been duly authorized by all necessary action on the part of Lessee, do not require any approvals, except such as have been duly obtained, and neither the execution and delivery of any of the Operative Documents by Lessee nor the performance by Lessee of its obligations thereunder conflicts with, violates or will result in a breach of, or constitute a violation of, any law, judgment, governmental rule, regulation or order binding on Lessee or contravenes the partnership agreement of Lessee or contravenes the provisions of, or constitutes a default under, or results in the creation of any Lien (other than Permitted Liens) upon the property of Lessee under, any indenture, mortgage, contract or other agreement to which Lessee is a party or by which it or its properties may be bound or affected;

(iii) neither the execution and delivery by Lessee of each of the Operative Documents to which it is or will be a party nor the performance by Lessee of its obligations thereunder requires the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of, any Federal, state or foreign governmental authority or agency, except such as have been duly obtained;

(iv) assuming due authorization, execution and delivery by the parties other than the Lessee, each of the Operative Documents to which Lessee is or will be a party, when executed and delivered, will constitute legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with the respective terms thereof except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization or other similar laws or equitable principles of general application to or affecting the enforcement of creditors' rights;

(v) there are no suits or proceedings pending, or to the best knowledge of Lessee threatened, against or affecting Lessee before any court, governmental agency or arbitrator, which in the good faith opinion of Lessee after consultation with counsel, would if adversely determined have a material adverse effect on the financial condition of Lessee or which would purport to affect the legality, validity or enforceability of this Lease Agreement or any other Operative Document to which it is or will be a party or which would materially and adversely affect the ability of the Lessee to enter into and perform its obligations under this Lease Agreement and the other Operative Documents to which it is or will be a party;

(vi) there has not occurred any event which constitutes, or which with giving of notice or lapse of time, or both, would constitute an Event of Default which is presently continuing;

(vii) all governmental approvals, licenses, authorizations, consents, filings and registrations required for the execution, delivery and performance of this Lease Agreement and the other Operative Documents have been obtained or made, and are in full force and effect and the execution, delivery and performance by any of the parties hereto of any of the Operative Documents do not and will not conflict with, violate or result in a breach of, any law, ordinance, governmental rule or regulation, or require any license, permit, franchise or other governmental authorization (provided, however, that such representation shall not be applicable with respect to any such laws, ordinances, governmental rules or regulations which may apply to, or any license, permit, franchise or other governmental authorization that may be required by, such party (other than Lessee) by virtue of the status or business

(other than by virtue of such party's participation in the transactions contemplated hereby) of such party);

(viii) the Lessee is not in violation of any laws, ordinances, governmental rules or regulations to which it is subject, which violation would materially and adversely affect its ability to perform its obligations under the Operative Documents; and the Lessee has not failed to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its property or to the conduct of its business, which failure to obtain would materially and adversely affect the ability of the Lessee to perform its obligations under the Operative Documents;

(b) General Tax Indemnity. (i) Indemnity. Lessee agrees to pay, and to indemnify the Lessor and each successor and permitted assignee of each of the foregoing (for purposes of this Schedule 23(a), individually, an "Indemnatee" and collectively, the "Indemnitees") on an After-Tax Basis for, and to hold each Indemnatee harmless on an After-Tax Basis from, all Taxes and which Taxes are imposed on or with respect to, or are measured by:

(A) any Item of Equipment or any part thereof or any interest therein,

(B) the manufacture, construction, financing, refinancing, purchase, transportation, import, export, acceptance, rejection, possession, ownership, delivery, assembly, installation, use, operation, location, leasing, subleasing, condition, maintenance, repair, modification, rebuilding, storage, abandonment, repossession, transfer of title, redelivery, substitution, sale or other disposition of any Item of Equipment or any part thereof or any interest therein,

(C) the rentals, receipts or earnings arising from any Item of Equipment or any part thereof or any interest therein,

(D) any of the Operative Documents or any payments pursuant to any of the Operative Documents or any other transactions or activities required or contemplated by any of the Operative Documents,

(E) the execution, transfer, delivery or recording of any of the Operative Documents or any other agreement, instrument or other document contemplated by any of the Operative Documents,

or otherwise with respect to or in connection with the transactions contemplated by the Operative Documents together with all reasonable out-of-pocket costs and

expenses (including, without limitation, reasonable attorneys' fees and disbursements) attributable to any of the foregoing incurred by any Indemnatee; provided, however, that Lessee shall not be required by this Schedule 23(a) to pay or to indemnify or hold harmless any Indemnatee for any of the following Taxes:

(1) Taxes imposed on any Indemnatee by the United States of America or by any governmental subdivision or other taxing authority of or within the United States that are measured by gross or net income (including excess profits Taxes, minimum Taxes, Taxes on or measured by items of Tax preference, alternative minimum Taxes, withholding Taxes, capital gain Taxes, accumulated earnings Taxes, personal holding company Taxes and Taxes such as superfund taxes with respect to environmental projects, including any Taxes imposed by Internal Revenue Code Section 59A but excluding any environmental Taxes imposed directly as a result of its ownership of the Equipment), gross or net receipts, or are in the nature of capital stock Taxes, capital adequacy or reserves, net worth Taxes, franchise, occupation or conduct of business taxes, license Taxes (other than license Taxes imposed on or with respect to the Equipment), and other similar Taxes (other than Taxes in the nature of sales, use, ad valorem property or rental taxes); provided, that this paragraph (1) shall not apply to, and the Lessee will indemnify for (except as otherwise provided in this Schedule 23(a) other than this paragraph (1)), Taxes imposed by the State in which Lessee's premises are located, or any political subdivision thereof:

(x) in the case of the Lessor, on gross or net income or receipts on or with respect to the amount of Basic Rent paid or payable by Lessee under the Lease; or

(y) [INTENTIONALLY OMITTED]

(2) Taxes, including, without limitation, sales and transfer Taxes, imposed on any Indemnatee that result from:

(A) any voluntary transfer by such Indemnatee of any interest in the Equipment or any portion thereof or any interest arising out of the Operative Documents unless such transfer shall have occurred in connection with, or as a result of, an Event of Default, or

(B) any involuntary transfer of any of the foregoing interests in connection with any bankruptcy or other proceeding for the relief of debtors in which any Indemnatee is the debtor, unless such transfer shall have occurred in connection with, or as a result of, an Event of Default.

(3) Taxes imposed by any jurisdiction if and to the extent that such Taxes would not have been imposed on any Indemnatee but for activities of such

Indemnatee in such jurisdiction unrelated to the transactions contemplated by the Operative Documents.

(4) Taxes imposed on any Indemnatee,

(A) to the extent such Taxes result directly from the willful misconduct or gross negligence of such Indemnatee,

(B) that result from the failure of such Indemnatee to file tax returns properly and on a timely basis (except to the extent such Tax results from a failure of the Lessee to satisfy its obligations hereunder or to claim a deduction or credit), or

(C) that would not have been imposed but for the failure of such Indemnatee to comply with certification, reporting or other similar requirements of the jurisdiction imposing such Tax (except to the extent such Tax results from a failure of the Lessee to satisfy its obligations hereunder).

(5) Taxes which are attributable to any period beginning or circumstance occurring after the expiration or earlier termination of the Lease and, if applicable, the return of the Equipment to the Lessor in accordance with the Lease.

(6) [INTENTIONALLY OMITTED]

(7) Taxes which would not have been imposed on an Indemnatee but for the status of such Indemnatee as a foreign person for United States Federal income tax purposes.

(8) Taxes that result from the inaccuracy of any representation or the breach of any covenant or warranty made by such Indemnatee in any Operative Document.

(9) [INTENTIONALLY OMITTED]

(10) Taxes in the nature of an intangible or similar tax upon or with respect to the value of any interest in the Equipment.

(11) As to any Indemnatee, any Tax enacted in substitution of any Tax as to which Lessee is not liable hereunder with respect to such Indemnatee or any related Indemnatee pursuant to this Schedule 23(a).

(12) Taxes imposed on an Indemnitee that is the Lessor to the extent of the excess of such Taxes over the amount of such Taxes that would have been imposed had there not been a transfer by the Lessor after the date of the Lease of an interest in the Equipment or any portion of such interest or any interest arising under any Operative Document provided that this exception shall not apply if any such transfer shall occur in connection with an Event of Default.

(13) Taxes for so long as such Taxes are being contested in accordance with the provisions of this Schedule 23(a) hereof.

(14) Taxes that would not have been imposed but for an amendment to any Operative Document not consented to by the Lessee in writing (other than any amendment that occurs pursuant to the exercise by the Lessor of its remedies in connection with an Event of Default that has occurred and is continuing).

(ii) After-tax Payment; When Due. To the extent permitted by applicable laws, Lessee shall pay or cause to be paid all Taxes indemnified under this Section (b) of Schedule 23(a) directly to the appropriate taxing authority on or before the time, and in the manner, prescribed by applicable laws. Lessee shall pay each other amount required to be paid pursuant to this Section (b) of Schedule 23(a) to the Indemnitee within 30 days following Lessee's receipt of the Indemnitee's written demand for the payment accompanied by a written statement of the Indemnitee describing in reasonable detail the Taxes for which the Indemnitee is demanding an indemnity and the computation of the amount of the indemnity being demanded, but not prior to the later of (x) the date on which payment of such Taxes is due, or (y) in the case of Taxes which are being contested, and the payment thereof deferred in accordance with this Schedule 23(a), the time such contest is finally resolved. Each indemnity pursuant to this Section (b) of Schedule 23(a) shall be on an After-Tax Basis. The Lessor shall provide the Lessee with evidence of payments to the appropriate taxing authority.

(iii) Tax Savings. If an Indemnitee realizes a tax saving (by means of a credit against tax, a deduction, a refund or otherwise) as a result of the occurrence of any Tax for which Lessee shall have indemnified the Indemnitee in accordance with this Section (b) of Schedule 23(a), the Indemnitee shall pay to Lessee an amount equal to the sum of (A) the tax saving plus (B) the amount of any interest received by or credited to such Indemnitee on account of such Tax saving, plus (C) the amount of any additional Tax Savings of such Indemnitee attributable to any payment made by such Indemnitee to Lessee pursuant to this sentence; provided, however, that an Indemnitee shall not be obligated to make any payment pursuant to this subparagraph (iii) to the extent the payments pursuant to clauses (A) and (C) exceeds the amount of all prior payments with respect to indemnified Taxes (other than in respect of interest) by Lessee to such Indemnitee. Any Tax that is incurred by

an Indemnatee as a result of the disallowance or adjustment of any tax benefit or aggregate net reduction in Taxes for which the Indemnatee shall have made a payment to Lessee pursuant to this subparagraph (iii) shall be treated as a Tax for which Lessee is required to indemnify the Indemnatee pursuant to this Section (b) of Schedule 23(a), but subject to the exclusions in paragraph (i), other than clauses (1) and (2) thereof. No Indemnatee shall be required by this Schedule 23(a) to make any payment to Lessee while any amount payable by Lessee under any Operative Document or any agreement or other document delivered in connection with any Operative Document is overdue or while an Event of Default under the Lease is continuing.

(iv) Independent Examination. At Lessee's request, the amount of any indemnity payment by Lessee to an Indemnatee pursuant to subparagraph (i) or any payment by an Indemnatee to Lessee pursuant to subparagraph (iii) shall be reviewed and determined on a confidential basis by the Indemnatee's regular independent public accounting firm (or by another independent public accounting firm selected by the Indemnatee and reasonably acceptable to Lessee). The fees and disbursements of such accounting firm shall be paid by Lessee unless the accounting firm's review shall result in an adjustment in Lessee's favor in an amount exceeding the greater of \$10,000 or 5% of the corrected payment, in which case the fees and disbursements of the accounting firm shall be paid by the Indemnatee. No Indemnatee shall be required to disclose its income tax returns to any Person other than the accounting firm conducting the review referred to in the preceding sentence.

(v) Contest of Claims. If an Indemnatee receives written notice of a claim for any Tax for which Lessee may be required to indemnify such Indemnatee pursuant to this Section (b) of Schedule 23(a), the Indemnatee shall promptly give Lessee written notice of the claim. If Lessee so requests in writing within 30 days after receipt of the Indemnatee's written notice, or, if earlier, at least 10 Business Days prior to the last date allowed for responding to such claim (such notice to describe when such period ends), the Indemnatee shall, at the expense of Lessee, either itself contest (if it so desires and only in the circumstances described in the next paragraph) (an "Indemnatee-Controlled Contest") or permit Lessee to contest (including, without limitation, by pursuit of appeals and administrative procedures) in the name of Lessee, if permitted by law, or otherwise in the name of the Indemnatee (a "Lessee-Controlled Contest"), the validity, applicability or amount of such Taxes in the case of an Indemnatee Controlled Contest, in the sole discretion of the Indemnatee, or, in the case of Lessee-Controlled Contest, in the sole discretion of Lessee, by (i) resisting payment thereof; (ii) not paying the same except under protest, if protest shall be necessary and proper or (iii) if payment shall be made, using reasonable efforts to obtain a refund thereof in appropriate administrative and/or judicial proceedings; provided, however, that a contest with respect to a claim for Taxes shall be allowed pursuant to this paragraph (v) only so long as and provided that:

(A) if an Event of Default has occurred and is continuing, the Lessee shall have paid such Tax or provided security satisfactory to the Indemnatee, in such Indemnatee's sole discretion;

(B) Lessee shall have agreed to pay such Indemnatee within 30 days after written request therefor on an After-Tax Basis all reasonable costs that such Indemnatee shall incur in connection with the contest of such claim or any appeal thereof (including, without limitation, all reasonable costs, expenses, legal and accounting fees and disbursements);

(C) in the case of a Lessee-Controlled Contest, Lessee shall keep such Indemnatee informed of all significant actions proposed to be taken with respect to such contest and shall consider in good faith any suggestions of such Indemnatee with respect to the conduct of such contest; provided, however, that the conduct of such contest shall remain in the sole discretion and control of Lessee in accordance with the provisions of this paragraph (v);

(D) in the case of an Indemnatee-Controlled Contest,

(I) the amount of the Tax in controversy (which shall include prospective exposure for all tax years attributable to the position being challenged) shall exceed \$5,000, and

(II) if such contest shall involve payment of the claim, Lessee shall have advanced the amount thereof plus interest, penalties and additions to tax with respect thereto to such Indemnatee on an interest-free basis (with no additional net after-tax cost to such Indemnatee but taking into account any net Tax savings associated with such advance); and

(III) prior to commencing a judicial proceeding, Lessee shall have delivered to the Indemnatee a written acknowledgment of Lessee's obligation to indemnify the Indemnatee to the extent the contest is not successful, provided that if the facts and legal theories upon which the final determination is based clearly demonstrate that Lessee would not be liable for the indemnity except as a direct result of such acknowledgment, Lessee shall not be liable for such indemnity; and

(E) The requested contest shall not involve any material danger of any sale, forfeiture or loss of any Item of Equipment or any part thereof or interest therein and in the opinion of Lessor would not involve any material risk of the creation of a Lien (other than a Permitted Lien) on any Item of Equipment, unless Lessee shall have provided security reasonably satisfactory to the Indemnatee.

The Indemnatee may elect to assume responsibility for contesting any claim for Taxes which may be subject to indemnification under this Section (b) of Schedule 23(a) only if such claim cannot be segregated procedurally from other material tax claims for which Lessee is not obligated to indemnify the Indemnatee and otherwise cannot be contested in the name of Lessee. If an Indemnatee contests a claim pursuant to the preceding sentence, such Indemnatee shall keep Lessee informed of all significant actions proposed to be taken with respect to such contest and shall consider in good faith any suggestions of Lessee with respect to the conduct of such contest.

The Indemnatee may elect not to contest pursuant to this subparagraph (v), or to settle any contest of, any claim which the Indemnatee is otherwise required to contest pursuant to this subparagraph (v), but such election shall constitute an unconditional waiver by the Indemnatee of any right to indemnification pursuant to this Section (b) of Schedule 23(a) with respect to the claim which was the subject of the proposed contest or any related claim and, if Lessee shall theretofore have provided the Indemnatee with funds to pay such amount or costs and expenses in connection with the contest of such claim, the Indemnatee shall promptly repay such funds to Lessee.

If the Indemnatee shall obtain a refund of all or any part of any Taxes that Lessee shall have paid or for which Lessee shall have indemnified the Indemnatee pursuant to this Section (b) of Schedule 23(a), the Indemnatee shall pay to Lessee the amount of such refund plus any interest received by such Indemnatee on such amounts net of Taxes thereon plus the amount of any Tax savings realized by such Indemnatee as a result of the payment to Lessee pursuant to this sentence, provided that (i) the Indemnatee shall not be required to make any payment to Lessee pursuant to this paragraph while an Event of Default under the Lease shall be continuing or if Lessee shall not have theretofore made all payments then due to the Indemnatee under the Operative Documents and (ii) in no event shall an Indemnatee be required to repay an amount in excess of the amount (not including interest) received with respect to such claim (not including interest).

(vi) Information Returns, Statements and Reports. Lessee shall provide (at its own expense) such information as is reasonably available to Lessee in the ordinary course of its business and is not otherwise available to such Indemnatee as may be reasonably requested by an Indemnatee and reasonably necessary to enable an

Indemnatee to fulfill its tax filing requirements with respect to the transactions contemplated by the Operative Documents. If any report, return or statement is required to be filed with respect to any Tax that is subject to indemnification under this Section (b) of Schedule 23(a), Lessee shall promptly notify each Indemnatee subject to the requirement of the tax filing requirement and, if permitted by applicable law, timely file the report, return or statement with respect to the Tax (except for any report, return or statement that an Indemnatee shall have notified Lessee that the Indemnatee intends to file) and will show the ownership of the Equipment in the Lessor and send a copy of any report, return or statement to the Lessor. If Lessee is not permitted by applicable law to file such a report, return or statement, Lessee shall promptly notify each Indemnatee subject to the requirement of the tax filing requirement and, if practicable, prepare and deliver to each such Indemnatee a proposed form of the report, return or statement within a reasonable time prior to the time it is required to be filed. Lessee shall hold each Indemnatee harmless from and against all liabilities arising out of any insufficiency or inaccuracy of any report, return or statement if the insufficiency or inaccuracy is the result of the inaccuracy of any information required to be supplied by Lessee to the Indemnatee pursuant to this subparagraph (vi).

(vii) Survival. The obligations of each party to this Agreement under paragraphs (b) and (c) of this Schedule 23(a) shall survive the termination of the Lease and are hereby expressly made for the benefit of, and shall be enforceable by, each other party to this Agreement and its successors and permitted assigns.

(viii) Subrogation. If Lessee shall pay an indemnity to or for the account of an Indemnatee pursuant to Section (b) or (c) of this Schedule 23(a), Lessee shall be subrogated to the rights of such Indemnatee against any third party with respect to any act, omission, event or circumstance giving rise to the Taxes or expenses for which such indemnity was paid.

(c) General Indemnity. For purposes of this Section (c) of Schedule 23(a), "Indemnatee" shall mean an Indemnatee as defined in Section (b) above together with each director, officer, employee, servant and agent of each Indemnatee as defined in Section (b) above. Lessee hereby agrees to indemnify each Indemnatee on an After-Tax Basis against, and agrees to protect, save and keep harmless each Indemnatee and its successors and permitted assigns on an After-Tax Basis from (whether or not the transactions contemplated herein or in any of the other Operative Documents are consummated), any and all liabilities, obligations, losses, damages, penalties, claims (including, without limitation, claims arising out of loss of life or injury to any person), actions, suits, out-of-pocket costs, fines, orders, remedial actions and enforcement actions of any kind, expenses and disbursements (including reasonable legal fees and expenses), of whatsoever kind and nature other than Taxes, for which the Lessee's sole obligation to indemnify the Indemnitees are set forth in Section (b)

above (collectively called "Expenses"), imposed on, incurred by or asserted against any Indemnitee in any way relating to or arising out of (1) the Operative Documents or the enforcement of any of the terms thereof against the Lessee, (2) the manufacture, purchase, acceptance or rejection of the Equipment or any part thereof; (3) the delivery, nondelivery, lease, sublease, possession, use, operation, condition, sale, repossession, return or other disposition of the Equipment including, without limitation, latent or other defects, whether or not discoverable, strict tort liability, any environmental claim and any claim for patent, trademark or copyright infringement, (4) an Environmental Claim or the exposure of any person to Hazardous Substances, destruction or damage to any property, contamination of the environment, or the threat thereof; or any violation of Environmental Laws arising out of or resulting from: (i) a spill, emission, discharge, release or escape (collectively "release") of Hazardous Substances into, onto, under, from or adjacent to the air, surface water, pavement, soils, land surface or subsurface strata, groundwater or buildings of the Lessee's or any Sublessee's premises, (ii) the use of the Lessee's or any Sublessee's premises for the storage, treatment, generation, transportation, processing, handling, production or disposal of any Hazardous Substance or as a landfill or other waste disposal site, or (iii) the failure to promptly undertake and diligently pursue to completion all necessary, appropriate and legally authorized investigative, containment, removal, clean up and other remedial actions with respect to a release or the threat of a release of any Hazardous Substances on, at or from the Lessee's or any Sublessee's premises, (5) the failure of any of Lessee's representations provided in the Lease to be true and correct, (6) Lessee's breach of any of the covenants provided in this Lease, (7) any Event of Default or (8) without duplication of the matters referred to in (1) through (7) above, any legal proceeding with respect to any Lease Document (as defined in the Contribution Agreement dated the date hereof between PB Rail Financing Associates and Rutherford Trust) to the extent, but only to the extent, arising from events which occur on or after the date of execution and delivery of the Lease Agreement; provided that the foregoing indemnity shall not extend, except as and to the extent attributable to default by Lessee in performing or observing its obligations hereunder or under the other Operative Documents to which it is a party or breach by Lessee of any of its representations or warranties, as to any such Indemnitee, to any Expense to the extent resulting from or arising out of one or more of the following: (A) any representation or warranty by any Indemnitee in the Operative Documents shall be incorrect; or (B) the breach by any Indemnitee of any agreement, covenant or condition in any of the Operative Documents including, without limitation, the creation or existence of a Lessor Lien; or (C) the gross negligence or willful misconduct of any such Indemnitee; or (D) a disposition (voluntary or involuntary) by the Lessor (if the Lessor is such Indemnitee) of all or any part of its interest in the Equipment or any part thereof (other than as required by the Lease), or by any such Indemnitee of all or any part of such Indemnitee's interest in the Equipment, any part thereof or in the Operative Documents other than during the continuance of an Event of Default under the Lease; or (E) so long as no Event of

Default has occurred and is continuing, acts or events which occur (and do not relate to or arise as a result of events prior to the termination of the Term) after the earlier of: (I) the commencement of storage of the Equipment pursuant to Section 5(c) of the Lease, or (II) the return of possession of the Equipment to Lessor or its designee (except to the extent such Expenses arise as a result of a failure to return any Item of Equipment in accordance with the terms of the Lease); or (F) taxes or other indemnifiable payments pursuant to Section (b) above, whether or not Lessee is required to indemnify for such taxes or payments pursuant to Section (b) above; or (G) payments made by Lessee to any Indemnatee but not passed on to any other Indemnatee pursuant to the requirements of any Operative Document or other agreement to which such Indemnitees are parties; or (H) any violation of law, rule or regulation by any Indemnatee (other than to the extent that such violation is attributable to the Lessee).

Nothing in this Section (c) of Schedule 23(a) shall be construed as a guaranty by Lessee of the useful life or residual value of the Equipment. This Agreement constitutes a separate agreement with respect to each Indemnatee and is enforceable directly by each such Indemnatee whether or not Lessor has made a claim for any amount that may be due to any Indemnatee on behalf of such Indemnatee under the Lease Agreement.

If a claim is made against an Indemnatee involving one or more Expenses and such Indemnatee has actual knowledge thereof, such Indemnatee promptly shall give notice of such claim to Lessee; provided that the failure to provide or delay in providing such notice shall not release Lessee from any of its obligations to indemnify hereunder; provided, further, that nothing herein shall prohibit the Lessee from maintaining a separate action for damages to the extent that an indemnified amount is increased by reason of such failure or delay. Lessee shall be entitled, at its sole cost and expense, acting through counsel acceptable to Lessee and reasonably acceptable to such Indemnatee, (A) in any settlement or other negotiations or any judicial or administrative proceeding or any negotiations with third parties that involves solely a claim for one or more Expenses to assume responsibility for and control thereof; (B) in any settlement or other negotiations or any judicial or administrative proceeding or any negotiations with third parties involving a claim for one or more Expenses and other claims related or unrelated to the transactions contemplated by the Operative Documents, to assume responsibility for and control of such claim for Expenses to the extent that the same may be and is severed from such other claims (and such Indemnatee shall use its best efforts to obtain such severance); and (C) in any other case, to be consulted by such Indemnatee with respect to settlement or other negotiations or any judicial or administrative proceedings subject to the control of such Indemnatee. Notwithstanding any of the foregoing to the contrary, Lessee shall not be entitled to assume responsibility for and control of any such settlement or other negotiations or any judicial or administrative proceedings (X) while an Event of

Default under the Lease shall have occurred and be continuing, or (Y) if such proceedings will involve the sale, forfeiture or loss of, or the creation of any Lien (other than a Permitted Lien) on any Item of Equipment; which has not been bonded to the reasonable satisfaction of Lessor. The Indemnatee may participate at its own expense and with its own counsel in any judicial proceeding controlled by Lessee pursuant to the preceding provisions.

The Indemnatee shall supply Lessee with such information reasonably requested by Lessee as is necessary or advisable for Lessee to control or participate in any settlement or other negotiations or any proceeding to the extent permitted by this Section (c) of Schedule 23(a). Unless an Event of Default under the Lease in respect of any payment of Rent shall have occurred and be continuing, such Indemnatee shall not enter into a settlement or other compromise with respect to any Expense without the prior written consent of Lessee, which consent shall not be unreasonably withheld or delayed, unless such Indemnatee waives its right to be indemnified with respect to such Expense under this Section (c) of Schedule 23(a).

Upon payment of any Expense pursuant to this Section (c) of Schedule 23(a), Lessee, without any further action, shall be subrogated to any claims the Indemnatee may have relating thereto. The Indemnatee agrees to give such further assurances or agreements as may be reasonably requested by Lessee and to cooperate with Lessee to permit Lessee to pursue such claims, if any.

In the event that Lessee shall have paid an amount to an Indemnatee pursuant to this Section (c) of Schedule 23(a), and such Indemnatee subsequently shall be reimbursed in respect of such indemnified amount from any other person, such Indemnatee shall promptly pay an amount equal to the amount of such reimbursement (but in no event more than such payment), plus interest thereon at the Applicable Rate to Lessee.

Lessee's obligations under the indemnities provided for herein shall be those of a primary obligor whether or not the person indemnified shall also be indemnified with respect to the same matter under the terms of the Lease Agreement or any other document or instrument, and the person seeking indemnification from Lessee pursuant to any provision herein may proceed directly against Lessee without first seeking to enforce any other right of indemnification. Upon the payment in full by Lessee of any indemnity provided for herein, Lessee shall be subrogated to any right of the person indemnified in respect of the matter as to which such indemnity was paid. Lessee's obligations under the indemnities provided for herein shall survive termination of the Lease Agreement.

Nothing in this Schedule 23(a) shall limit or shall be deemed a replacement for, in lieu of or in exchange for the indemnities provided by PBMF (and guaranteed

by Lessee) pursuant to the Purchase and Sale Agreement or by Lessee pursuant to the Tax Indemnification Agreement.

THIS LEASE SCHEDULE IS BEING EXECUTED IN ___ NUMBERED COUNTERPARTS OF WHICH THIS IS COUNTERPART NO. ___. ONLY COUNTERPART NO. 1 SHALL BE DEEMED TO BE THE ORIGINAL FOR CHATTEL PAPER AND SECURITY PURPOSES. NO SECURITY INTEREST MAY BE CREATED IN THIS LEASE SCHEDULE THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

LEASE SCHEDULE NO. 1

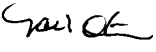
Lease Schedule No. 1 dated May 24, 2001 to Lease Agreement dated as of May 24, 2001 between Wells Fargo Bank Northwest, N.A. (formerly known as First Security Bank, National Association), in its capacity as Equipment Trustee, as Lessor, and PB Rail Financing Associates, as Lessee (the "Lease").

1. Equipment: See Schedule A attached hereto and made a part hereof.
2. Equipment Cost: As set out in Schedule A in respect of the aggregate of the Equipment and in respect of each Item of Equipment.
3. Lease Term: 239 mos.
4. Closing Date: : May 24, 2001.
5. Lease Scheduled Termination Date (Section 3(b)): March 30, 2021.
6. Rent Payment Dates and Basic Rent with respect thereto: See Schedule B attached hereto and made a part hereof.
7. Early Termination Fee: See Schedule C attached hereto.
8. Related User Lease: Master Equipment Lease - [B] dated April 27, 1998 between Lessor and User.
9. User Lease Expiration Date: September 29, 2018.
10. User Purchase Option (Section 18(b)(i)): Yes.
11. Stipulated Loss Value Dates and Stipulated Loss Value with respect thereto: See Schedule D attached hereto and made a part hereof.
12. Lessee Yield Amount: See Schedule E attached hereto and made a part hereof.
13. Riders Attached Hereto and Incorporated Herein:
None.

14. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY
INCORPORATED BY REFERENCE INTO THE LEASE.

Accepted by:

WELLS FARGO BANK NORTHWEST, N.A.,
formerly known as First Security Bank, National Association,
not in its individual capacity, but solely as Equipment Trustee

By: 
Val T. Orton,
Its Vice President

PB RAIL FINANCING ASSOCIATES

By: Pitney Bowes Credit Corporation,
a General Partner

By: _____
Michael J. Leyh
Its Vice President,
New Business Development

By: PB Municipal Funding Inc.,
a General Partner

By: _____
Michael J. Leyh
Its Vice President

14. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY
INCORPORATED BY REFERENCE INTO THE LEASE.


Accepted by:

WELLS FARGO BANK NORTHWEST, N.A.,
formerly known as First Security Bank, National Association,
not in its individual capacity, but solely as Equipment Trustee


By: _____
Val T. Orton,
Its Vice President

PB RAIL FINANCING ASSOCIATES

By: Pitney Bowes Credit Corporation,
a General Partner

By:  _____
Michael J. Leyh
Its Vice President,
New Business Development

By: PB Municipal Funding Inc.,
a General Partner

By:  _____
Michael J. Leyh
Its Vice President

[illegible]

The foregoing instrument was acknowledged before me this 23 day of May, 2001 by Michael J. Leyh, the Vice President, New Business Development of Pitney Bowes Credit Corporation, a Delaware corporation, as general partner of PB Rail Financing Associates, a Connecticut general partnership, on behalf of said general partnership.


Notary Public

GENEVA BROWNE
Notary Public, State of New York
No. 24-4892359
Qualified in Kings County
Certificate Filed in New York County
Commission Expires Nov. 30, 2004

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

The foregoing instrument was acknowledged before me this 23 day of May, 2001 by Michael J. Leyh, the Vice President of PB Municipal Funding Inc., a Nevada corporation, as general partner of PB Rail Financing Associates, a Connecticut general partnership, on behalf of said general partnership.

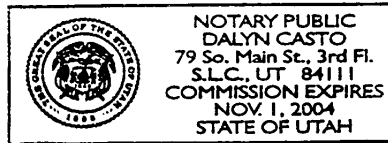

Notary Public

GENEVA BROWNE
Notary Public, State of New York
No. 24-4692369
Qualified in Kings County
Certificate Filed in New York County
Commission Expires Nov. 30, 2004

M1:754470.02

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

This instrument was acknowledged before me on the 22nd day of May, 2001, by Val T. Orton who is the Vice President of Wells Fargo Bank Northwest, N.A. (the "Bank") on behalf of the Bank, not in its individual capacity, but solely as Owner Trustee.



Dalyn Casto
Notary Public

SCHEDULE 1

MONTELL FUNDING - *Lean Solid (5)*
 JULY 30, 1998 249-001

Manufacturer	Model	Specifications	Serial Number	Car Make	Equipment Cost per Unit
1 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10038	MLLX: 10036	63,215.00
2 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10039	MLLX: 10039	63,215.00
3 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10102	MLLX: 10102	63,215.00
4 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10108	MLLX: 10108	63,215.00
5 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10118	MLLX: 10118	63,215.00
6 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10122	MLLX: 10122	63,215.00
7 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10321	MLLX: 10321	63,215.00
8 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10484	MLLX: 10484	63,215.00
9 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10492	MLLX: 10492	63,215.00
10 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10503	MLLX: 10503	63,215.00
11 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10504	MLLX: 10504	63,215.00
12 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10505	MLLX: 10505	63,215.00
13 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10506	MLLX: 10506	63,215.00
14 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10515	MLLX: 10515	63,215.00
15 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10516	MLLX: 10516	63,215.00
16 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10517	MLLX: 10517	63,215.00
17 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10519	MLLX: 10519	63,215.00
18 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10521	MLLX: 10521	63,215.00
19 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10522	MLLX: 10522	63,215.00
20 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10523	MLLX: 10523	63,215.00
21 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10524	MLLX: 10524	63,215.00
22 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10525	MLLX: 10525	63,215.00
23 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10537	MLLX: 10537	63,215.00
24 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10539	MLLX: 10539	63,215.00
25 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10543	MLLX: 10543	63,215.00
26 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10548	MLLX: 10548	63,215.00
27 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10551	MLLX: 10551	63,215.00
28 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10552	MLLX: 10552	63,215.00
29 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10554	MLLX: 10554	63,215.00
30 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10555	MLLX: 10555	63,215.00
31 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10559	MLLX: 10559	63,215.00
32 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10580	MLLX: 10580	63,215.00
33 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10581	MLLX: 10581	63,215.00
34 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10582	MLLX: 10582	63,215.00
35 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10583	MLLX: 10583	63,215.00
36 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10584	MLLX: 10584	63,215.00
37 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10585	MLLX: 10585	63,215.00
38 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10586	MLLX: 10586	63,215.00
39 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10587	MLLX: 10587	63,215.00
40 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10588	MLLX: 10588	63,215.00
41 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10589	MLLX: 10589	63,215.00

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Manufacturer	Model	Specifications	Serial Number	Card Marka	Equipment Cost per Unit
42 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10570	MLLX: 10570	63,215.00
43 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10571	MLLX: 10571	63,215.00
44 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10572	MLLX: 10572	63,215.00
45 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10573	MLLX: 10573	63,215.00
46 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10574	MLLX: 10574	63,215.00
47 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10575	MLLX: 10575	63,215.00
48 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10576	MLLX: 10576	63,215.00
49 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10577	MLLX: 10577	63,215.00
50 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10578	MLLX: 10578	63,215.00
51 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10580	MLLX: 10580	63,215.00
52 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10582	MLLX: 10582	63,215.00
53 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10585	MLLX: 10585	63,215.00
54 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10586	MLLX: 10586	63,215.00
55 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10587	MLLX: 10587	63,215.00
56 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10588	MLLX: 10588	63,215.00
57 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10589	MLLX: 10589	63,215.00
58 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10590	MLLX: 10590	63,215.00
59 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10591	MLLX: 10591	63,215.00
60 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10592	MLLX: 10592	63,215.00
61 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10594	MLLX: 10594	63,215.00
62 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10595	MLLX: 10595	63,215.00
63 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10596	MLLX: 10596	63,215.00
64 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10597	MLLX: 10597	63,215.00
65 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10598	MLLX: 10598	63,215.00
66 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10599	MLLX: 10599	63,215.00
67 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10600	MLLX: 10600	63,215.00
68 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10601	MLLX: 10601	63,215.00
69 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10602	MLLX: 10602	63,215.00
70 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10603	MLLX: 10603	63,215.00
71 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10604	MLLX: 10604	63,215.00
72 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10605	MLLX: 10605	63,215.00
73 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10606	MLLX: 10606	63,215.00
74 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10607	MLLX: 10607	63,215.00
75 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10608	MLLX: 10608	63,215.00
76 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10609	MLLX: 10609	63,215.00
77 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10610	MLLX: 10610	63,215.00
78 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10611	MLLX: 10611	63,215.00

TOTAL: 4,930,770.00

MONTELL FUNDING
AUGUST 31, 1998

SCHEDULE 1-2

[5]

P.08/37

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Manufacturer	Model	Specifications	Serial Number	Car Make	Equipment Cost per Unit
1 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10344	MLLX: 10344	63,215.00
2 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10373	MLLX: 10373	63,215.00
3 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10390	MLLX: 10390	63,215.00
4 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10430	MLLX: 10430	63,215.00
5 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10441	MLLX: 10441	63,215.00
6 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10468	MLLX: 10468	63,215.00
7 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10470	MLLX: 10470	63,215.00
8 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10471	MLLX: 10471	63,215.00
9 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10472	MLLX: 10472	63,215.00
10 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10477	MLLX: 10477	63,215.00
11 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10488	MLLX: 10488	63,215.00
12 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10489	MLLX: 10489	63,215.00
13 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10507	MLLX: 10507	63,215.00
14 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10508	MLLX: 10508	63,215.00
15 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10518	MLLX: 10518	63,215.00
16 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10520	MLLX: 10520	63,215.00
17 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10528	MLLX: 10528	63,215.00
18 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10529	MLLX: 10529	63,215.00
19 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10533	MLLX: 10533	63,215.00
20 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10544	MLLX: 10544	63,215.00
21 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10546	MLLX: 10546	63,215.00
22 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10553	MLLX: 10553	63,215.00
23 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10578	MLLX: 10578	63,215.00
24 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10581	MLLX: 10581	63,215.00
25 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10583	MLLX: 10583	63,215.00
26 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10584	MLLX: 10584	63,215.00
27 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 6,245 cu. ft. Pellet Hopper Car	10593	MLLX: 10593	63,215.00

TOTAL:

1,708,805.00

MONTELL FUNDING
September 30, 1996

SCHEDULE 1-3

(6)

Manufacturer	Model	Specifications	Serial Number	Car Make	Equipment Cost per Unit
1 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10612	MLLX	63,618.00
2 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10613	MLLX	63,618.00
3 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10614	MLLX	63,618.00
4 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10615	MLLX	63,618.00
5 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10616	MLLX	63,618.00
6 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10617	MLLX	63,618.00
7 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10618	MLLX	63,618.00
8 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10619	MLLX	63,618.00
9 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10620	MLLX	63,618.00
10 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10621	MLLX	63,618.00
11 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10622	MLLX	63,618.00
12 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10623	MLLX	63,618.00
13 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10624	MLLX	63,618.00
14 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10625	MLLX	63,618.00
15 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10626	MLLX	63,618.00
16 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10627	MLLX	63,618.00
17 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10628	MLLX	63,618.00
18 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10629	MLLX	63,618.00
19 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10630	MLLX	63,618.00
20 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10631	MLLX	63,618.00
21 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10632	MLLX	63,618.00
22 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10633	MLLX	63,618.00
23 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10634	MLLX	63,618.00
24 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10635	MLLX	63,618.00
25 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10636	MLLX	63,618.00
26 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10637	MLLX	63,618.00
27 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10638	MLLX	63,618.00
28 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10639	MLLX	63,618.00
29 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10640	MLLX	63,618.00
30 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10641	MLLX	63,618.00
31 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10642	MLLX	63,618.00
32 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10643	MLLX	63,618.00
33 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10644	MLLX	63,618.00
34 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10645	MLLX	63,618.00
35 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10646	MLLX	63,618.00
36 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10647	MLLX	63,618.00
37 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10648	MLLX	63,618.00
38 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10649	MLLX	63,618.00
39 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10650	MLLX	63,618.00
40 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10651	MLLX	63,618.00
41 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10652	MLLX	63,618.00
42 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10653	MLLX	63,618.00
43 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10654	MLLX	63,618.00
44 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10655	MLLX	63,618.00
45 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10656	MLLX	63,618.00
46 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10657	MLLX	63,618.00
47 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10658	MLLX	63,618.00
48 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10659	MLLX	63,618.00
		6270 Cubic Foot Covered Hopper Car	10660	MLLX	63,618.00

P.09/37

203 9224065 TO 912122944700

MAR 28 '01 12:54 FR PBCC

MONTELL FUNDING
September 30, 1996

SCHEDULE 1-3

[8]

	Manufacturer	Model	Specifications	Serial Number	Car Marks	Equipment	
						Cost per Unit	Cost
47 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10562	MLLX: 10562		63,618.00
48 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10563	MLLX: 10563		63,618.00
49 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10564	MLLX: 10564		63,618.00
50 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10565	MLLX: 10565		63,618.00
51 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10566	MLLX: 10566		63,618.00
52 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10567	MLLX: 10567		63,618.00
53 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10568	MLLX: 10568		63,618.00
54 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10569	MLLX: 10569		63,618.00
55 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10571	MLLX: 10571		63,618.00
56 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10572	MLLX: 10572		63,618.00
57 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10573	MLLX: 10573		63,618.00
58 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10574	MLLX: 10574		63,618.00
59 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10576	MLLX: 10576		63,618.00
60 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10578	MLLX: 10578		63,618.00
61 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10579	MLLX: 10579		63,618.00
62 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10580	MLLX: 10580		63,618.00
63 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10581	MLLX: 10581		63,618.00
64 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10582	MLLX: 10582		63,618.00
65 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10586	MLLX: 10586		63,618.00
66 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10587	MLLX: 10587		63,618.00
67 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10588	MLLX: 10588		63,618.00
68 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10589	MLLX: 10589		63,618.00
69 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10590	MLLX: 10590		63,618.00
70 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10592	MLLX: 10592		63,618.00
71 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10594	MLLX: 10594		63,618.00
72 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10595	MLLX: 10595		63,618.00
73 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10598	MLLX: 10598		63,618.00
74 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10700	MLLX: 10700		63,618.00
75 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10707	MLLX: 10707		63,618.00
76 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10709	MLLX: 10709		63,618.00
77 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10713	MLLX: 10713		63,618.00
78 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10716	MLLX: 10716		63,618.00
79 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10717	MLLX: 10717		63,618.00
80 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10718	MLLX: 10718		63,618.00
81 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10719	MLLX: 10719		63,618.00
82 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10720	MLLX: 10720		63,618.00
83 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10721	MLLX: 10721		63,618.00
84 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10723	MLLX: 10723		63,618.00
85 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10724	MLLX: 10724		63,618.00
86 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10725	MLLX: 10725		63,618.00
87 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10726	MLLX: 10726		63,618.00
88 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10727	MLLX: 10727		63,618.00
89 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10730	MLLX: 10730		63,618.00
90 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10731	MLLX: 10731		63,618.00
91 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10737	MLLX: 10737		63,618.00
92 Thral		Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10738	MLLX: 10738		63,618.00

P.10/37

203 9224065 TO 912122944700

MAR 28 '01 12:54 FR PBCC

MONTELL FUNDING
September 30, 1998

SCHEDULE 1-3

61

P.11/37

203 9224065 TO 912122944700

MAR 28 '01 12:54 FR PBC

Manufacturer	Model	Specifications	Serial Number	Car/Make	Equipment Cost per Unit
93 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10740	MLLX	53,618.00
94 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10741	MLLX	53,618.00
95 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10742	MLLX	53,618.00
96 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10743	MLLX	53,618.00
97 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10744	MLLX	53,618.00
98 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10745	MLLX	53,618.00
99 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10746	MLLX	53,618.00
100 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10747	MLLX	53,618.00
101 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10748	MLLX	53,618.00
102 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10749	MLLX	53,618.00
103 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10750	MLLX	53,618.00
104 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10751	MLLX	53,618.00
105 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10752	MLLX	53,618.00
106 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10753	MLLX	53,618.00
107 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10754	MLLX	53,618.00
108 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10755	MLLX	53,618.00
109 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10756	MLLX	53,618.00
110 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10757	MLLX	53,618.00
111 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10758	MLLX	53,618.00
112 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10759	MLLX	53,618.00
113 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10760	MLLX	53,618.00
114 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10761	MLLX	53,618.00
115 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10762	MLLX	53,618.00
116 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10763	MLLX	53,618.00
117 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10764	MLLX	53,618.00
118 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10765	MLLX	53,618.00
119 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10766	MLLX	53,618.00
120 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10767	MLLX	53,618.00
121 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10768	MLLX	53,618.00
122 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10769	MLLX	53,618.00
123 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10770	MLLX	53,618.00
124 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10771	MLLX	53,618.00
125 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10772	MLLX	53,618.00
126 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10773	MLLX	53,618.00
127 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10774	MLLX	53,618.00
128 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10775	MLLX	53,618.00
129 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10776	MLLX	53,618.00
130 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10777	MLLX	53,618.00
131 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10778	MLLX	53,618.00
132 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10779	MLLX	53,618.00

TOTAL:

8,392,101.00

THIS LEASE SCHEDULE IS BEING EXECUTED IN __ NUMBERED COUNTERPARTS OF WHICH THIS IS COUNTERPART NO. __. ONLY COUNTERPART NO. 1 SHALL BE DEEMED TO BE THE ORIGINAL FOR CHATTEL PAPER AND SECURITY PURPOSES. NO SECURITY INTEREST MAY BE CREATED IN THIS LEASE SCHEDULE THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

LEASE SCHEDULE NO. 2

Lease Schedule No. 2 dated May 24, 2001 to Lease Agreement dated as of May 24, 2001 between Wells Fargo Bank Northwest, N.A. (formerly known as First Security Bank, National Association), in its capacity as Equipment Trustee, as Lessor, and PB Rail Financing Associates, as Lessee (the "Lease").

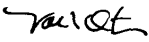
1. Equipment: See Schedule A attached hereto and made a part hereof.
2. Equipment Cost: As set out in Schedule A in respect of the aggregate of the Equipment and in respect of each Item of Equipment.
3. Lease Term: 242 mos.
4. Closing Date: : May 24, 2001.
5. Lease Scheduled Termination Date (Section 3(b)): June 30, 2021.
6. Rent Payment Dates and Basic Rent with respect thereto: See Schedule B attached hereto and made a part hereof.
7. Early Termination Fee: See Schedule C attached hereto.
8. Related User Lease: Master Equipment Lease - [C] dated April 27, 1998 between Lessor and User.
9. User Lease Expiration Date: December 29, 2018.
10. User Purchase Option (Section 18(b)(i)): Yes.
11. Stipulated Loss Value Dates and Stipulated Loss Value with respect thereto: See Schedule D attached hereto and made a part hereof.
12. Lessee Yield Amount: See Schedule E attached hereto and made a part hereof.
13. Riders Attached Hereto and Incorporated Herein:

None.

14. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY
INCORPORATED BY REFERENCE INTO THE LEASE.

Accepted by:

WELLS FARGO BANK NORTHWEST, N.A.,
formerly known as First Security Bank, National Association,
not in its individual capacity, but solely as Equipment Trustee

By: 
Val T. Orton,
Its Vice President

PB RAIL FINANCING ASSOCIATES

By: Pitney Bowes Credit Corporation,
a General Partner

By: _____
Michael J. Leyh
Its Vice President,
New Business Development

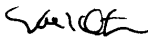
By: PB Municipal Funding Inc.,
a General Partner

By: _____
Michael J. Leyh
Its Vice President

14. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY
INCORPORATED BY REFERENCE INTO THE LEASE.

Accepted by:

WELLS FARGO BANK NORTHWEST, N.A.,
formerly known as First Security Bank, National Association,
not in its individual capacity, but solely as Equipment Trustee

By: 
Val T. Orton,
Its Vice President

PB RAIL FINANCING ASSOCIATES

By: Pitney Bowes Credit Corporation,
a General Partner

By: _____
Michael J. Leyh
Its Vice President,
New Business Development

By: PB Municipal Funding Inc.,
a General Partner

By: _____
Michael J. Leyh
Its Vice President

14. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY
INCORPORATED BY REFERENCE INTO THE LEASE.


Accepted by:

WELLS FARGO BANK NORTHWEST, N.A.,
formerly known as First Security Bank, National Association,
not in its individual capacity, but solely as Equipment Trustee


By: _____
Val T. Orton,
Its Vice President

PB RAIL FINANCING ASSOCIATES

By: Pitney Bowes Credit Corporation,
a General Partner

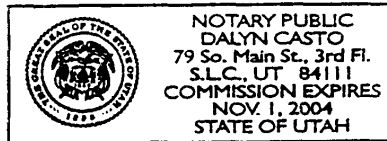
By:  _____
Michael J. Leyh
Its Vice President,
New Business Development

By: PB Municipal Funding Inc.,
a General Partner

By:  _____
Michael J. Leyh
Its Vice President

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

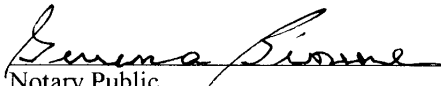
This instrument was acknowledged before me on the 22nd day of May, 2001, by Val T. Orton who is the Vice President of Wells Fargo Bank Northwest, N.A. (the "Bank") on behalf of the Bank, not in its individual capacity, but solely as Owner Trustee.



Dalyn Casto
Notary Public

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

The foregoing instrument was acknowledged before me this 23 day of May, 2001 by Michael J. Leyh, the Vice President of PB Municipal Funding Inc., a Nevada corporation, as general partner of PB Rail Financing Associates, a Connecticut general partnership, on behalf of said general partnership.


Notary Public

GENEVA BROWNE
Notary Public, State of New York
No. 24-4892368
Qualified in Kings County
Certificate Filed in New York County
Commission Expires Nov. 30, 2001

M1:754470.02

SCHEDULE 1

MONTPELL FUNDING
October 30, 1996

Leave Sch'd [C.C.]
770637-001

Manufacture	Model	Serial Number	Cost	Equipment Cost per Unit
1 Thrall	Covered Hopper Car	10022	10022	64,172.41
2 Thrall	Covered Hopper Car	10032	10032	64,172.41
3 Thrall	Covered Hopper Car	10036	10036	64,172.41
4 Thrall	Covered Hopper Car	10703	10703	64,172.41
5 Thrall	Covered Hopper Car	10712	10712	64,172.41
6 Thrall	Covered Hopper Car	10716	10716	64,172.41
7 Thrall	Covered Hopper Car	10728	10728	64,172.41
8 Thrall	Covered Hopper Car	10728	10728	64,172.41
9 Thrall	Covered Hopper Car	10732	10732	64,172.41
10 Thrall	Covered Hopper Car	10733	10733	64,172.41
11 Thrall	Covered Hopper Car	10734	10734	64,172.41
12 Thrall	Covered Hopper Car	10735	10735	64,172.41
13 Thrall	Covered Hopper Car	10736	10736	64,172.41
14 Thrall	Covered Hopper Car	10739	10739	64,172.41
15 Thrall	Covered Hopper Car	10750	10750	64,172.41
16 Thrall	Covered Hopper Car	10753	10753	64,172.41
17 Thrall	Covered Hopper Car	10755	10755	64,172.41
18 Thrall	Covered Hopper Car	10756	10756	64,172.41
19 Thrall	Covered Hopper Car	10759	10759	64,172.41
20 Thrall	Covered Hopper Car	10760	10760	64,172.41
21 Thrall	Covered Hopper Car	10761	10761	64,172.41
22 Thrall	Covered Hopper Car	10762	10762	64,172.41
23 Thrall	Covered Hopper Car	10763	10763	64,172.41
24 Thrall	Covered Hopper Car	10764	10764	64,172.41
25 Thrall	Covered Hopper Car	10765	10765	64,172.41
26 Thrall	Covered Hopper Car	10766	10766	64,172.41
27 Thrall	Covered Hopper Car	10768	10768	64,172.41
28 Thrall	Covered Hopper Car	10770	10770	64,172.41
29 Thrall	Covered Hopper Car	10771	10771	64,172.41
30 Thrall	Covered Hopper Car	10772	10772	64,172.41
31 Thrall	Covered Hopper Car	10773	10773	64,172.41
32 Thrall	Covered Hopper Car	10774	10774	64,172.41
33 Thrall	Covered Hopper Car	10775	10775	64,172.41
34 Thrall	Covered Hopper Car	10776	10776	64,172.41
35 Thrall	Covered Hopper Car	10777	10777	64,172.41
36 Thrall	Covered Hopper Car	10778	10778	64,172.41
37 Thrall	Covered Hopper Car	10779	10779	64,172.41
38 Thrall	Covered Hopper Car	10780	10780	64,172.41
39 Thrall	Covered Hopper Car	10781	10781	64,172.41
40 Thrall	Covered Hopper Car	10782	10782	64,172.41
41 Thrall	Covered Hopper Car	10783	10783	64,172.41
42 Thrall	Covered Hopper Car	10784	10784	64,172.41
43 Thrall	Covered Hopper Car	10785	10785	64,172.41
44 Thrall	Covered Hopper Car	10786	10786	64,172.41
45 Thrall	Covered Hopper Car	10787	10787	64,172.41
46 Thrall	Covered Hopper Car	10788	10788	64,172.41
47 Thrall	Covered Hopper Car	10789	10789	64,172.41
48 Thrall	Covered Hopper Car	10790	10790	64,172.41
49 Thrall	Covered Hopper Car	10791	10791	64,172.41
50 Thrall	Covered Hopper Car	10792	10792	64,172.41
51 Thrall	Covered Hopper Car	10794	10794	64,172.41
52 Thrall	Covered Hopper Car	10795	10795	64,172.41

MONTPELL FUNDING
October 30, 1996

[c]

SCHEDULE 1

Manufacturer	Model	Specifications	Serial Number	Estimate	Equipment Cost per Unit
53 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10795	MLLX: 10795	64,172.41
54 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10796	MLLX: 10796	64,172.41
55 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10797	MLLX: 10797	64,172.41
56 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10798	MLLX: 10798	64,172.41
57 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10799	MLLX: 10799	64,172.41
58 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10800	MLLX: 10800	64,172.41
59 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10801	MLLX: 10801	64,172.41
60 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10802	MLLX: 10802	64,172.41
61 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10803	MLLX: 10803	64,172.41
62 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10804	MLLX: 10804	64,172.41
63 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10805	MLLX: 10805	64,172.41
64 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10806	MLLX: 10806	64,172.41
65 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10807	MLLX: 10807	64,172.41
66 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10808	MLLX: 10808	64,172.41
67 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10809	MLLX: 10809	64,172.41
68 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10810	MLLX: 10810	64,172.41
69 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10811	MLLX: 10811	64,172.41
70 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10812	MLLX: 10812	64,172.41
71 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10813	MLLX: 10813	64,172.41
72 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10814	MLLX: 10814	64,172.41
73 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10815	MLLX: 10815	64,172.41
74 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10816	MLLX: 10816	64,172.41
75 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10817	MLLX: 10817	64,172.41
76 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10818	MLLX: 10818	64,172.41
77 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10819	MLLX: 10819	64,172.41
78 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10820	MLLX: 10820	64,172.41
79 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10821	MLLX: 10821	64,172.41
80 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10822	MLLX: 10822	64,172.41
81 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10823	MLLX: 10823	64,172.41
82 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10824	MLLX: 10824	64,172.41
83 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10825	MLLX: 10825	64,172.41
84 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10826	MLLX: 10826	64,172.41
85 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10827	MLLX: 10827	64,172.41
86 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10828	MLLX: 10828	64,172.41
87 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10829	MLLX: 10829	64,172.41
88 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10830	MLLX: 10830	64,172.41
89 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10831	MLLX: 10831	64,172.41
90 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10832	MLLX: 10832	64,172.41
91 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10833	MLLX: 10833	64,172.41
92 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10834	MLLX: 10834	64,172.41
93 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10835	MLLX: 10835	64,172.41
94 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10836	MLLX: 10836	64,172.41
95 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10837	MLLX: 10837	64,172.41
96 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10838	MLLX: 10838	64,172.41
97 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10839	MLLX: 10839	64,172.41
98 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10840	MLLX: 10840	64,172.41
99 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10841	MLLX: 10841	64,172.41
100 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10842	MLLX: 10842	64,172.41
101 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10843	MLLX: 10843	64,172.41
102 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10844	MLLX: 10844	64,172.41
103 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10845	MLLX: 10845	64,172.41
104 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10846	MLLX: 10846	64,172.41
105 Thail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10847	MLLX: 10847	64,172.41

P.19/37

203 9224065 TO 912122944700

MAR 28 '01 12:56 FR PBCC

MONTELL FUNDING
October 30, 1998

[C]

SCHEDULE 1

Manufacturer	Model	Specifications	Serial Number	Car Make	Equipment Cost per Unit
105 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10549	MLLX	64,172.41
106 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10549	MLLX	64,172.41
107 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10551	MLLX	64,172.41
108 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10552	MLLX	64,172.41
109 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10553	MLLX	64,172.41
110 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10554	MLLX	64,172.41
111 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10555	MLLX	64,172.41
112 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10556	MLLX	64,172.41
113 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10557	MLLX	64,172.41
114 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10558	MLLX	64,172.41
115 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10559	MLLX	64,172.41
116 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10560	MLLX	64,172.41
117 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10561	MLLX	64,172.41
118 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10562	MLLX	64,172.41
119 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10563	MLLX	64,172.41
120 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10564	MLLX	64,172.41
121 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10565	MLLX	64,172.41
122 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10566	MLLX	64,172.41
123 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10567	MLLX	64,172.41
124 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10568	MLLX	64,172.41
125 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10569	MLLX	64,172.41
126 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10570	MLLX	64,172.41
127 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10571	MLLX	64,172.41
128 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10572	MLLX	64,172.41
129 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10573	MLLX	64,172.41
130 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10574	MLLX	64,172.41
131 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10575	MLLX	64,172.41
132 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10576	MLLX	64,172.41
133 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10577	MLLX	64,172.41
134 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10578	MLLX	64,172.41
135 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10579	MLLX	64,172.41
136 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10580	MLLX	64,172.41
137 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10581	MLLX	64,172.41
138 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10582	MLLX	64,172.41
139 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10583	MLLX	64,172.41
140 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10584	MLLX	64,172.41
141 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10585	MLLX	64,172.41
142 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10586	MLLX	64,172.41
143 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10587	MLLX	64,172.41
144 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10588	MLLX	64,172.41
145 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10589	MLLX	64,172.41
146 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10590	MLLX	64,172.41
147 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10591	MLLX	64,172.41
148 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10592	MLLX	64,172.41
149 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10593	MLLX	64,172.41
150 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10594	MLLX	64,172.41
151 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10595	MLLX	64,172.41
152 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10596	MLLX	64,172.41
153 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10597	MLLX	64,172.41
154 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10598	MLLX	64,172.41
155 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10599	MLLX	64,172.41
156 Thrall	Covered Hopper Car	6270 Cubic Foot Covered Hopper Car	10600	MLLX	64,172.41

P. 20/37

203 9224065 TO 912122944700

MAR 28 '01 12:57 FR PBCC

MONTELL FUNDING
October 30, 1995

[c]

SCHEDULE 1

Manufacturer	Model	Specifications	Serial Number	Card Number	Equipment Cost per Unit
157 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10909	MLLC 10909	\$3,953.42
158 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10910	MLLC 10910	\$3,953.42
159 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10911	MLLC 10911	\$3,953.42
160 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10912	MLLC 10912	\$3,953.42
161 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10913	MLLC 10913	\$3,953.42
162 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10914	MLLC 10914	\$3,953.42
163 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10915	MLLC 10915	\$3,953.42
164 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10916	MLLC 10916	\$3,953.42
165 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10917	MLLC 10917	\$3,953.42
166 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10918	MLLC 10918	\$3,953.42
167 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10919	MLLC 10919	\$3,953.42
168 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10920	MLLC 10920	\$3,953.42
169 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10921	MLLC 10921	\$3,953.42
170 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10922	MLLC 10922	\$3,953.42
171 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10923	MLLC 10923	\$3,953.42
172 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10924	MLLC 10924	\$3,953.42
173 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10925	MLLC 10925	\$3,953.42
174 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10926	MLLC 10926	\$3,953.42
175 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10927	MLLC 10927	\$3,953.42
176 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10928	MLLC 10928	\$3,953.42
177 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10929	MLLC 10929	\$3,953.42
178 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10930	MLLC 10930	\$3,953.42
179 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10931	MLLC 10931	\$3,953.42
180 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10932	MLLC 10932	\$3,953.42
181 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10933	MLLC 10933	\$3,953.42
182 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10934	MLLC 10934	\$3,953.42
183 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10935	MLLC 10935	\$3,953.42
184 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10936	MLLC 10936	\$3,953.42
185 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10937	MLLC 10937	\$3,953.42
186 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10938	MLLC 10938	\$3,953.42
187 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	10939	MLLC 10939	\$3,953.42
TOTAL					11,948,190.00

MONTELL FUNDING
November 24, 1998

SCHEDULE 12

5

[illegible]

MONTELL FUNDING
November 24, 1998

SCHEDULE 1.2

[illegible]

MONTELL FUNDING
November 24, 1984

SCHEDULE 1-3

Manufacturer	Model	Serial Number	Car Number	Equipment	Cost per Unit
105 Thrall	Covered Hopper Car	11049	MLDX 11049	6270 Cubic Foot Covered Hopper Car	\$3,724.00
106 Thrall	Covered Hopper Car	11051	MLDX 11051	6270 Cubic Foot Covered Hopper Car	\$3,724.00
107 Thrall	Covered Hopper Car	11052	MLDX 11052	6270 Cubic Foot Covered Hopper Car	\$3,943.00
108 Thrall	Covered Hopper Car	11053	MLDX 11053	6270 Cubic Foot Covered Hopper Car	\$3,943.00
109 Thrall	Covered Hopper Car	11055	MLDX 11055	6270 Cubic Foot Covered Hopper Car	\$3,724.00
110 Thrall	Covered Hopper Car	11057	MLDX 11057	6270 Cubic Foot Covered Hopper Car	\$3,724.00
111 Thrall	Covered Hopper Car	11058	MLDX 11058	6270 Cubic Foot Covered Hopper Car	\$3,724.00
112 Thrall	Covered Hopper Car	11059	MLDX 11059	6270 Cubic Foot Covered Hopper Car	\$3,724.00
113 Thrall	Covered Hopper Car	11060	MLDX 11060	6270 Cubic Foot Covered Hopper Car	\$3,943.00
114 Thrall	Covered Hopper Car	11061	MLDX 11061	6270 Cubic Foot Covered Hopper Car	\$3,724.00
115 Thrall	Covered Hopper Car	11062	MLDX 11062	6270 Cubic Foot Covered Hopper Car	\$3,943.00
116 Thrall	Covered Hopper Car	11063	MLDX 11063	6270 Cubic Foot Covered Hopper Car	\$3,943.00
117 Thrall	Covered Hopper Car	11064	MLDX 11064	6270 Cubic Foot Covered Hopper Car	\$3,943.00
118 Thrall	Covered Hopper Car	11065	MLDX 11065	6270 Cubic Foot Covered Hopper Car	\$3,943.00
119 Thrall	Covered Hopper Car	11066	MLDX 11066	6270 Cubic Foot Covered Hopper Car	\$3,943.00
120 Thrall	Covered Hopper Car	11067	MLDX 11067	6270 Cubic Foot Covered Hopper Car	\$3,943.00
121 Thrall	Covered Hopper Car	11068	MLDX 11068	6270 Cubic Foot Covered Hopper Car	\$3,724.00
122 Thrall	Covered Hopper Car	11069	MLDX 11069	6270 Cubic Foot Covered Hopper Car	\$3,943.00
123 Thrall	Covered Hopper Car	11070	MLDX 11070	6270 Cubic Foot Covered Hopper Car	\$3,724.00
124 Thrall	Covered Hopper Car	11071	MLDX 11071	6270 Cubic Foot Covered Hopper Car	\$3,943.00
125 Thrall	Covered Hopper Car	11072	MLDX 11072	6270 Cubic Foot Covered Hopper Car	\$3,943.00
126 Thrall	Covered Hopper Car	11073	MLDX 11073	6270 Cubic Foot Covered Hopper Car	\$3,943.00
127 Thrall	Covered Hopper Car	11074	MLDX 11074	6270 Cubic Foot Covered Hopper Car	\$3,724.00
128 Thrall	Covered Hopper Car	11075	MLDX 11075	6270 Cubic Foot Covered Hopper Car	\$3,943.00
129 Thrall	Covered Hopper Car	11077	MLDX 11077	6270 Cubic Foot Covered Hopper Car	\$3,943.00
130 Thrall	Covered Hopper Car	11078	MLDX 11078	6270 Cubic Foot Covered Hopper Car	\$3,943.00
131 Thrall	Covered Hopper Car	11081	MLDX 11081	6270 Cubic Foot Covered Hopper Car	\$3,724.00
132 Thrall	Covered Hopper Car	11082	MLDX 11082	6270 Cubic Foot Covered Hopper Car	\$3,724.00
133 Thrall	Covered Hopper Car	11083	MLDX 11083	6270 Cubic Foot Covered Hopper Car	\$3,724.00
134 Thrall	Covered Hopper Car	11084	MLDX 11084	6270 Cubic Foot Covered Hopper Car	\$3,724.00
135 Thrall	Covered Hopper Car	11085	MLDX 11085	6270 Cubic Foot Covered Hopper Car	\$3,724.00
136 Thrall	Covered Hopper Car	11087	MLDX 11087	6270 Cubic Foot Covered Hopper Car	\$3,724.00

TOTAL:

\$618,678.00

P.24/37

203 92244065 TO 912122944700

MAR 28 '01 12:58 FR PBCC

MONTELL FUNDING
December 22, 1978

SCHEDULE 1-3

(c)

Manufacturer	Model	Serial Number	Card Marks	Equipment Cost per Unit
1 Thrall	Covered Hopper Car	11023	MLLX: 11023	63,943.00
2 Thrall	Covered Hopper Car	11031	MLLX: 11031	63,943.00
3 Thrall	Covered Hopper Car	11034	MLLX: 11034	63,943.00
4 Thrall	Covered Hopper Car	11035	MLLX: 11035	63,943.00
5 Thrall	Covered Hopper Car	11036	MLLX: 11036	63,943.00
6 Thrall	Covered Hopper Car	11037	MLLX: 11037	63,943.00
7 Thrall	Covered Hopper Car	11038	MLLX: 11038	63,943.00
8 Thrall	Covered Hopper Car	11039	MLLX: 11039	63,943.00
9 Thrall	Covered Hopper Car	11040	MLLX: 11040	63,943.00
10 Thrall	Covered Hopper Car	11041	MLLX: 11041	63,943.00
11 Thrall	Covered Hopper Car	11042	MLLX: 11042	63,943.00
12 Thrall	Covered Hopper Car	11043	MLLX: 11043	63,943.00
13 Thrall	Covered Hopper Car	11044	MLLX: 11044	63,943.00
14 Thrall	Covered Hopper Car	11045	MLLX: 11045	63,943.00
15 Thrall	Covered Hopper Car	11046	MLLX: 11046	63,943.00
16 Thrall	Covered Hopper Car	11050	MLLX: 11050	63,943.00
17 Thrall	Covered Hopper Car	11055	MLLX: 11055	63,943.00
18 Thrall	Covered Hopper Car	11075	MLLX: 11075	63,943.00
19 Thrall	Covered Hopper Car	11079	MLLX: 11079	63,943.00
20 Thrall	Covered Hopper Car	11080	MLLX: 11080	63,943.00
21 Thrall	Covered Hopper Car	11086	MLLX: 11086	63,943.00
22 Thrall	Covered Hopper Car	11088	MLLX: 11088	63,943.00
23 Thrall	Covered Hopper Car	11089	MLLX: 11089	63,943.00
24 Thrall	Covered Hopper Car	11091	MLLX: 11091	63,943.00
25 Thrall	Covered Hopper Car	11092	MLLX: 11092	63,943.00
26 Thrall	Covered Hopper Car	11093	MLLX: 11093	63,943.00
27 Thrall	Covered Hopper Car	11094	MLLX: 11094	63,943.00
28 Thrall	Covered Hopper Car	11095	MLLX: 11095	63,943.00
29 Thrall	Covered Hopper Car	11096	MLLX: 11096	63,943.00
30 Thrall	Covered Hopper Car	11097	MLLX: 11097	63,943.00
31 Thrall	Covered Hopper Car	11098	MLLX: 11098	63,943.00
32 Thrall	Covered Hopper Car	11099	MLLX: 11099	63,943.00
33 Thrall	Covered Hopper Car	11100	MLLX: 11100	63,943.00
34 Thrall	Covered Hopper Car	11101	MLLX: 11101	63,943.00
35 Thrall	Covered Hopper Car	11102	MLLX: 11102	63,943.00
36 Thrall	Covered Hopper Car	11103	MLLX: 11103	63,943.00
37 Thrall	Covered Hopper Car	11104	MLLX: 11104	63,943.00
38 Thrall	Covered Hopper Car	11105	MLLX: 11105	63,943.00
39 Thrall	Covered Hopper Car	11106	MLLX: 11106	63,943.00
40 Thrall	Covered Hopper Car	11107	MLLX: 11107	63,943.00
41 Thrall	Covered Hopper Car	11108	MLLX: 11108	63,943.00
42 Thrall	Covered Hopper Car	11109	MLLX: 11109	63,943.00
43 Thrall	Covered Hopper Car	11110	MLLX: 11110	63,943.00
44 Thrall	Covered Hopper Car	11111	MLLX: 11111	63,943.00
45 Thrall	Covered Hopper Car	11114	MLLX: 11114	65,216.00
46 Thrall	Covered Hopper Car	11121	MLLX: 11121	65,216.00
47 Thrall	Covered Hopper Car	11124	MLLX: 11124	65,216.00
48 Thrall	Covered Hopper Car	11125	MLLX: 11125	65,216.00
49 Thrall	Covered Hopper Car	11126	MLLX: 11126	65,216.00
50 Thrall	Covered Hopper Car	11127	MLLX: 11127	65,216.00
51 Thrall	Covered Hopper Car	11128	MLLX: 11128	65,216.00
52 Thrall	Covered Hopper Car	11129	MLLX: 11129	65,216.00

P.25/37

203 9224065 TO 912122944700

MAR 28 '01 12:59 FR PBCC

MONTELL FUNDING
December 22, 1998

SCHEDULE 1-3

Man/Incl/Unit	Model	Specifications	Serial Number	Card Models	Equipment Cost per Unit
105 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11193	MLX 11193	\$5,218.00
106 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11198	MLX 11198	\$5,218.00
107 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11202	MLX 11202	\$5,218.00
108 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11205	MLX 11205	\$5,218.00
109 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11206	MLX 11206	\$5,218.00
110 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11207	MLX 11207	\$5,218.00
111 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11208	MLX 11208	\$5,218.00
112 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11209	MLX 11209	\$5,218.00
113 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11210	MLX 11210	\$5,218.00
114 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11211	MLX 11211	\$5,218.00
115 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11054	MLX 11054	\$3,724.00
116 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11112	MLX 11112	\$4,999.00
117 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11113	MLX 11113	\$4,999.00
118 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11115	MLX 11115	\$4,999.00
119 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11116	MLX 11116	\$4,999.00
120 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11117	MLX 11117	\$4,999.00
121 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11118	MLX 11118	\$4,999.00
122 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11119	MLX 11119	\$4,999.00
123 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11120	MLX 11120	\$4,999.00
124 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11122	MLX 11122	\$4,999.00
125 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11123	MLX 11123	\$4,999.00
126 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11181	MLX 11181	\$4,999.00
127 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11154	MLX 11154	\$4,999.00
128 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11156	MLX 11156	\$4,999.00
129 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11158	MLX 11158	\$4,999.00
130 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11159	MLX 11159	\$4,999.00
131 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11160	MLX 11160	\$4,999.00
132 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11162	MLX 11162	\$4,999.00
133 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11164	MLX 11164	\$4,999.00
134 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11165	MLX 11165	\$4,999.00
135 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11166	MLX 11166	\$4,999.00
136 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11167	MLX 11167	\$4,999.00
137 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11168	MLX 11168	\$4,999.00
138 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11194	MLX 11194	\$4,999.00
139 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11195	MLX 11195	\$4,999.00
140 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11199	MLX 11199	\$4,999.00
141 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11197	MLX 11197	\$4,999.00
142 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11198	MLX 11198	\$4,999.00
143 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11200	MLX 11200	\$4,999.00
144 Trail	Covered Hopper Car	8270 Cubic Foot Covered Hopper Car	11201	MLX 11201	\$4,999.00
			11203	MLX 11203	\$4,999.00
TOTAL:					\$3,321,647.00

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SCHEDULE 13

CS

Manufacturer	Model	Specifications	Serial Number	Car Number	Equipment Cost per Unit
1 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10501	MLX: 10501	\$3,215.00
2 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10502	MLX: 10502	\$3,215.00
3 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10503	MLX: 10503	\$3,215.00
4 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10504	MLX: 10504	\$3,215.00
5 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10505	MLX: 10505	\$3,215.00
6 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10506	MLX: 10506	\$3,215.00
7 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10507	MLX: 10507	\$3,215.00
8 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10508	MLX: 10508	\$3,215.00
9 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10509	MLX: 10509	\$3,215.00
10 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10510	MLX: 10510	\$3,215.00
11 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10511	MLX: 10511	\$3,215.00
12 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10512	MLX: 10512	\$3,215.00
13 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10513	MLX: 10513	\$3,215.00
14 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10514	MLX: 10514	\$3,215.00
15 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10515	MLX: 10515	\$3,215.00
16 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10516	MLX: 10516	\$3,215.00
17 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10517	MLX: 10517	\$3,215.00
18 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10518	MLX: 10518	\$3,215.00
19 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10519	MLX: 10519	\$3,215.00
20 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10520	MLX: 10520	\$3,215.00
21 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10521	MLX: 10521	\$3,215.00
22 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10522	MLX: 10522	\$3,215.00
23 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10523	MLX: 10523	\$3,215.00
24 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10524	MLX: 10524	\$3,215.00
25 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10525	MLX: 10525	\$3,215.00
26 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10526	MLX: 10526	\$3,215.00
27 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10527	MLX: 10527	\$3,215.00
28 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10528	MLX: 10528	\$3,215.00
29 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10529	MLX: 10529	\$3,215.00
30 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10530	MLX: 10530	\$3,215.00
31 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10531	MLX: 10531	\$3,215.00
32 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10532	MLX: 10532	\$3,215.00
33 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10533	MLX: 10533	\$3,215.00
34 National Steel Car Limited	Plastic Pellet Hopper Car	110 Ton, 8245 cu. ft. Pellet Hopper Car	10534	MLX: 10534	\$3,215.00
TOTAL:					2,448,310.00
GRAND TOTAL:					11,475,767.00

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THIS LEASE SCHEDULE IS BEING EXECUTED IN __ NUMBERED COUNTERPARTS OF WHICH THIS IS COUNTERPART NO. __. ONLY COUNTERPART NO. 1 SHALL BE DEEMED TO BE THE ORIGINAL FOR CHATTEL PAPER AND SECURITY PURPOSES. NO SECURITY INTEREST MAY BE CREATED IN THIS LEASE SCHEDULE THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

LEASE SCHEDULE NO. 3

Lease Schedule No. 3 dated May 24, 2001 to Lease Agreement dated as of May 24, 2001 between Wells Fargo Bank Northwest, N.A. (formerly known as First Security Bank, National Association), in its capacity as Equipment Trustee, as Lessor, and PB Rail Financing Associates, as Lessee (the "Lease").

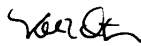
1. Equipment: See Schedule A attached hereto and made a part hereof.
2. Equipment Cost: As set out in Schedule A in respect of the aggregate of the Equipment and in respect of each Item of Equipment.
3. Lease Term: 245 mos.
4. Closing Date: : May 24, 2001.
5. Lease Scheduled Termination Date (Section 3(b)): September 30, 2021.
6. Rent Payment Dates and Basic Rent with respect thereto: See Schedule B attached hereto and made a part hereof.
7. Early Termination Fee: See Schedule C attached hereto.
8. Related User Lease: Master Equipment Lease - [D] dated April 27, 1998 between Lessor and User.
9. User Lease Expiration Date: March 29, 2019.
10. User Purchase Option (Section 18(b)(i)): Yes.
11. Stipulated Loss Value Dates and Stipulated Loss Value with respect thereto: See Schedule D attached hereto and made a part hereof.
12. Lessee Yield Amount: See Schedule E attached hereto and made a part hereof.
13. Riders Attached Hereto and Incorporated Herein:

None.

14. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY
INCORPORATED BY REFERENCE INTO THE LEASE.

Accepted by:

WELLS FARGO BANK NORTHWEST, N.A.,
formerly known as First Security Bank, National Association,
not in its individual capacity, but solely as Equipment Trustee

By: 
Val T. Orton,
Its Vice President

PB RAIL FINANCING ASSOCIATES

By: Pitney Bowes Credit Corporation,
a General Partner

By: _____
Michael J. Leyh
Its Vice President,
New Business Development

By: PB Municipal Funding Inc.,
a General Partner

By: _____
Michael J. Leyh
Its Vice President

838390.5

14. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY
INCORPORATED BY REFERENCE INTO THE LEASE.


Accepted by:

WELLS FARGO BANK NORTHWEST, N.A.,
formerly known as First Security Bank, National Association,
not in its individual capacity, but solely as Equipment Trustee


By: _____
Val T. Orton,
Its Vice President

PB RAIL FINANCING ASSOCIATES

By: Pitney Bowes Credit Corporation,
a General Partner

By: _____
Michael J. Leyh
Its Vice President,
New Business Development

By: PB Municipal Funding Inc.,
a General Partner

By: _____
Michael J. Leyh
Its Vice President

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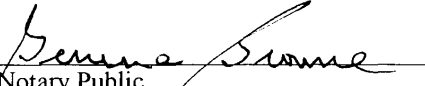
The foregoing instrument was acknowledged before me this 23 day of May, 2001 by Michael J. Leyh, the Vice President, New Business Development of Pitney Bowes Credit Corporation, a Delaware corporation, as general partner of PB Rail Financing Associates, a Connecticut general partnership, on behalf of said general partnership.

Berana Berne
Notary Public

GENEVA BROWNE
Notary Public, State of New York
No. 24-4002359
Qualified in Kings County
Certificate Filed in New York County
Commission Expires Nov. 30, 2007

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

The foregoing instrument was acknowledged before me this 23 day of May, 2001 by Michael J. Leyh, the Vice President of PB Municipal Funding Inc., a Nevada corporation, as general partner of PB Rail Financing Associates, a Connecticut general partnership, on behalf of said general partnership.

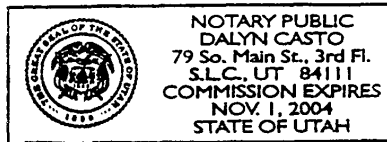

Notary Public

GENEVA BROWNE
Notary Public, State of New York
No. 24-4882369
Qualified in Kings County
Certificate Filed in New York County
Commission Expires Nov. 30, 2001

M1:754470.02

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

This instrument was acknowledged before me on the 22nd day of May, 2001, by Val T. Orton who is the Vice President of Wells Fargo Bank Northwest, N.A. (the "Bank") on behalf of the Bank, not in its individual capacity, but solely as Owner Trustee.



Dalyn Casto
Notary Public

MONTELL FUNDING
March 18, 1999

SCHEDULE 1

[illegible]

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